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U.S. Combat Force Still Weeks From Fighting Strength

Military Leaders Say Lack of Tanks Hampers Option of Ground Attack

By Molly Moore and David B. Ottaway
Washington Post Service

WITH U.S. FORCES IN SAUDI ARABIA — When U.S. troops arrived in Saudi Arabia, they discovered their maps were so outdated and new Saudi construction had moved so rapidly that even major air bases and highways were not marked.

Military commanders said they had ordered up new satellite photographs of the kingdom and were filling in blank spots with their own back-of-the-envelope sketches of the desert wasteland.

On Page 6

Britain raised the possibility of expanding the blockade of Iraq into its airspace.

Japan announced a Gulf aid package, but critics criticized it as too small.

Several dozen Arab-Americans reported death threats or harassing telephone calls.

Almost three weeks into Operation Desert Shield, American and Arab forces are still finding their way around the kingdom. They are weeks away from establishing sufficient defenses to protect Saudi Arabia from a serious Iraqi ground attack and months away from being able to launch an effective offensive against Iraqi forces in Kuwait, according to U.S. and Saudi military leaders here.

[Senior American military officials in Washington said that U.S. forces in the Middle East could currently do no more than fight the 15 Iraqi divisions on the Saudi border to a standstill, and that they would not be ready to contemplate an attack until the end of September at the earliest, the Los Angeles Times reported.

[The officials said supply snafus had hampered plans to build U.S. forces in the region to more than 200,000 within the next three or four weeks. Although U.S. strength is improving, units lack heavy equipment that should already have arrived, the officials said, making it difficult for the military to back up administration rhetoric about bringing any conflict with Iraq to a rapid and successful conclusion.]

Saudi Arabia's northern border is lightly defended by a scattering of Saudi and other Arab forces that have few tanks and little other armor to hold off the kind of huge tank-led offenses the Iraqi forces are capable of mounting.

Only a small percentage of American combat ground forces have arrived in the country, and those that are here have only just begun to move into fighting positions. Many are still organizing their units and training troops to operate in the hostile desert environment.

Most of the Arab forces are only just now putting up their tents in the desert and digging bunkers for tanks and foxholes for troops.

Saudi officers say they are depending on the kingdom's "strategic depth," but with a total army of only 38,000 soldiers, that depth now seems to consist mostly of American forces who already far outnumber the Saudi Army.

U.S. military commanders say privately that Saudi and other Arab forces would serve as little more than a military trip wire near the border and that heavy American ground forces would then have to quickly surge ahead to confront and stop Iraqi troops and armor rolling across the border.

Much of the northern Saudi Arabia desert is hard-pack sand, ideal for a large-scale Iraqi tank offensive. U.S. commanders said they had been told in intelligence briefings before arriving here that large boggy areas in the desert would stem tank assaults in many areas. But commanders quickly discovered that the August heat has baked the desert floor hard, and tanks can roar across the plains at 55 miles (90 kilometers) per hour.

Hundreds of fighter and attack planes, such potent air-defense capabilities as the Patriot missile and large numbers of U.S. support forces have been amassed in Saudi Arabia in the last three weeks, but

See FORCES, Page 6

26 Days in Battered Kuwait: An American's Story

By Caryle Murphy
Washington Post Service

RIYADH — It lasted a mere month, and I never left what was once the rich, proud capital of Kuwait, but during that time I took a journey that was very long.

From the first confused moments when the sound of Iraqi artillery shells awakened me at 5:30 A.M. on Aug. 2 until I escaped from Kuwait on Monday in a caravan of cars through the desert, I witnessed the destruction, fear, chaos and tears caused by an invasion that sought to wipe a small country off the map.

A little more than three weeks later, Kuwait City is a scared, half-empty town. The streets are still littered with smashed cars and burned-out Iraqi military vehicles hit by Kuwaiti resistance fighters. Elite Iraqi troops man roadblocks around the city, looking for Westerners and seizing guns from Kuwaitis. The central business district is closed, with many shops looted.

Embassies are under siege. Their remaining staff members, whom Iraq refuses to treat with diplomatic immunity, lack electricity and water. U.S., British, Canadian and European nationals, who in the early days of the invasion generally moved about freely, are now hiding in their homes and apartments, waiting for a dreaded knock on the door from Iraqi officials.

Thousands of Kuwaitis and expatriate workers from Arab countries, Bangladesh, the Philippines, India and Pakistan have fled the country. Those Kuwaitis who have stayed are daily losing hope that their country will soon be returned to them.

Kuwait today is a physical mess. Hundreds of lives — those of Iraqis, Kuwaitis and expatriate workers — have been lost since the invasion. President Saddam Hussein has declared it Iraq's 19th province.

I arrived in Kuwait a week before the Iraqi invasion. In those days, Mr. Hussein's threats against Kuwait, his bullying rhetoric and even his huge military buildup on the border seemed like distant, familiar rumbles to most Kuwaitis.

Invasion? "Forget it," they said. "We've heard all this before."

The beaches in the city were full in the late afternoons, and those Kuwaitis who had the money were far away in Europe or the United States on vacation. The most that Western expatriates, including about 3,000 Americans and 4,000 Britons, had to worry about in the virtually crime-free (and officially alcohol-free) country was whether their homemade brew was fermenting well.

The Kuwaiti military was not even placed on alert, in deference to the idea that Iraq should not be provoked. That did not change even when Iraq had amassed 100,000 troops on the border, a fact Kuwaiti papers were forbidden by censors to reveal.

Iraqi troops, of course, rolled through Kuwait, meeting some resistance but nothing they could not quickly overcome.

In the early hours of Aug. 3, after filing a story on the invasion, I opened the glass door to the veranda of my room at the Kuwait International Hotel. It was deathly quiet, and the haze of smoke and the smell of gunpowder and fire hung over the city.

Dasman Palace, the site of fierce fighting that first day, was silent and dark. The ruling emir, Sheikh Jabbar al Ahmad al Sabah, had fled in a car only hours earlier.

Like most foreigners, I found it difficult to believe that Iraq had been so bold. I assumed that within a few days the borders would be opened, and that an exodus would start. But it never happened.

In the first week after the invasion, my two colleagues from the Western press corps — a Dutch radio reporter, Hettie Lubberdinger, and a Financial Times correspondent, Christopher Bobinski — left Kuwait.

See ESCAPE, Page 6

Fritz Reiss/The Associated Press

13 AMERICANS DIE IN CRASH — A U.S. C-5A Galaxy crashed on takeoff from West Germany, killing 13 aboard. The transport was bound for Saudi Arabia. Page 2.

Baghdad Issuing Permits

Departures Set To Start for Some Hostages

Compiled by Our Staff From Dispatches

BAGHDAD — Iraqi authorities began providing authorization on Wednesday for foreign women and children to leave Baghdad but decided that departures could not start before Thursday, an Iraqi official said.

The official said President Saddam Hussein's announcement Tuesday that foreign women and children could leave Iraq included nationals "from the United States, the countries of Western Europe and Japan."

Arrangements for their departures, which will probably be overland via Jordan, Turkey or Iran because the international airport in Baghdad is closed, will not be completed before Thursday, he said.

Iraq's ambassador to the United States, Mohamed Sadiq al Mashat, went to the State Department to notify the United States of the decision to let women and children go. He gave no timetable.

He said in remarks to reporters that foreign men could also leave if the United States promised not to launch a military strike. It was not clear whether he had made this offer officially, but the State Department spokesman, Margaret D. Tutwiler, said later the U.S. mission in the Gulf remained of a defensive character.

Miss Tutwiler said about a third of the approximately 3,000 American citizens in Kuwait and Iraq were women and children. She said there were about 500 women in Kuwait, 25 of whom are pregnant; 350 children, ages 3 to 18, and 60 infants under 3 years of age. She did not have a precise breakdown for Iraq.

Miss Tutwiler said the United States would prefer that the Americans be evacuated via charter aircraft from Kuwait City and Baghdad.

Mr. Mashat said that once the United States gave assurances "that they are not going to strike Iraq, and attack Iraq or aggress upon Iraq, then we are going to let even men out."

In response, Ms. Tutwiler said the United States rejected the notion that "there should be any conditions attached to the immediate safe departure of all foreign nationals, including Americans who wish to depart from Iraq and Kuwait."

It was not clear whether Mr. Ma-

See IRAQ, Page 2

Kiosk

Mohawks Help Raze Barriers

MONTREAL (Reuters) — Armed Mohawks and Canadian soldiers, after weeks of confrontation, joined forces on Wednesday to dismantle an Indian barricade at the edge of a reservation south of Montreal.

Army officials said they hoped all the barricades at two Mohawk strongholds in Quebec Province would be dismantled so that no further blood would be shed in the seven-week crisis that began over a land dispute.

General News

Bonn expected a treaty settling the final issues of reunification to be signed Friday. Page 2.

The police in northern Florida sought a mass killer. Page 3.

Business/Finance

BASF said its first-half profit fell 20.5 percent. Page 9.

Crossword Page 7.
Weather Page 2.

Dow Close
Up 17.58
2,632.43

The Dollar in New York

DM	1.5601
Pound	1.9455
Yen	143.62
FF	5.226

The Likely Targets: Air Bases, Missiles and Hussein's Home

The Associated Press

WASHINGTON — The U.S. military's first strike will be against remote Iraqi air bases, missile sites and chemical weapons installations if the Gulf standoff turns into a shooting war, experts on the Middle East and national security say.

An attack on the presidential palace in Baghdad is also seen as a possibility.

American officials in Saudi Arabia say a full-scale assault on Iraq is highly unlikely unless the Iraqis fire first. They have discussed contingency plans, but Pentagon rules forbids disclosure of specific targets.

Experts in Washington were also reluctant to pinpoint exact targets they thought might be singled out, but indicated the initial focus would be on the Iraqi Air Force and missiles.

"To destroy the Iraqi Air Force on the ground will be the No. 1 priority, and to prevent them from firing missiles," said Barry Rubin, senior fellow at the Washington Institute for Near East Policy, a private research group.

Other targets, Mr. Rubin predicted, would be supply depots and supply lines and chemical weapons plants. Asked to be specific, he said: "I don't think it would be useful to go into that. But we know where the chemical installations are, and satellites take very nice pictures."

William B. Quandt, a National Security Council official in the Nixon and Carter administrations who is a senior fellow with the Brookings Institution, listed much the same priorities.

"I think their first concern would be to neutralize surface-to-surface missile capability and then to establish air superiority without any question," he said.

"And then there is the kind of notion that we ought to sneak in and drop a bomb on the presidential palace on top of it all," Mr. Quandt said. "I am sure somebody is thinking about hitting the so-called command and control centers."

Such an attack would strike at the heart of Baghdad, a city of more than 3 million people.

"I am not sure you could take anything without taking out civilian populations; not around Baghdad, that's for sure," said Joyce R. Starr, a consultant and expert on the Middle East who served in the Carter administration.

Mr. Rubin said the military installations were remote from population centers. "They are not necessarily in the desert," he said, "but they are not in the middle of cities, either."

According to a soon to be published book by Leonard S. Spector and Jacqueline R. Smith of the Carnegie Endowment for International Peace, Iraq has been conducting work on uranium enrichment, a key process in making fuel for nuclear weapons, at a plant near Baghdad. The book concludes that Iraq will not be able to build such arms on its own until late in this decade.

Mr. Rubin said nuclear weapons

See TARGETS, Page 2

Bush Goal: To Limit, if Not Topple, Iraqi

By Andrew Rosenthal
New York Times Service

WASHINGTON — Although President George Bush has made it clear that he would like to see President Saddam Hussein of Iraq removed from power, the administration's diplomatic plan in the Gulf rests on the more modest goal of forcing him to withdraw his troops from Kuwait.

Then, according to the thinking in Mr. Bush's inner circle, the United States and its allies could probably contain Mr. Hussein and neutralize him as a regional power without toppling him.

Administration officials say this approach, which has come into focus in recent days, is based on the notion that the Gulf crisis has so rearranged the Middle East — and indeed much of the rest of the world — politically and militarily that Mr. Hussein would be unable to pursue an expansionist policy.

"We don't have a policy of getting rid of Saddam," one official said, "we have a policy of stopping him."

NEWS ANALYSIS

The issue is dividing Republicans and conservative ideologists in the United States.

Some conservative commentators have questioned the value of sending U.S. troops into Saudi Arabia in the first place, worrying that it is bad policy or bad politics, and sounding the alarm against becoming embroiled in what they see as a potential Vietnam.

Moreover, with Congress returning to the Capitol, Mr. Bush seems likely to face a debate over whether the "peace dividend" must be spent on a protracted military operation.

The Bush strategy presupposes a prolonged if not indefinite U.S. military presence in the Gulf, something that risks alienating the Arabs.

Administration officials argue the crisis is putting Egypt, Syria or Iran, or some combination of those countries, in a position to offset Iraqi power in the region.

They also believe Soviet-American cooperation has risen to a new level in the Middle East and that this, along with the Western alliance's expansion of its military role to the area, provides security for the militarily weak Gulf states and a curb on Mr. Hussein.

The officials say it is far from certain that the Iraqi leader would accept anything that amounts to defeat in Kuwait, and even if he backs down there, Mr. Bush's approach still carries serious risks.

At the least, it will challenge him to create the kind of comprehensive Mideast policy that has long eluded American presidents.

And it could end up presenting problems that would prove no easier to solve than the immediate question of how to get Iraq's army out of Kuwait.

For one, having Mr. Hussein retreat to Iraq with his army and chemical weapons intact could bring criticism from those legislators and conservatives who fear that it would be just a matter of time before the Iraqi leader re-emerged in the arena of terrorism

See GOAL, Page 2

OPEC Agrees to Increase Output to Meet Shortfall

Robert Jaeger/Agence France-Presse

Ali al Khalifa al Sabah, finance minister for Kuwait's government-in-exile, announcing in Vienna that OPEC would increase oil output. Crude prices fell and stocks rallied. Page 9.

Armenians Declare an Emergency

By Bill Keller
New York Times Service

MOSCOW — Armenia's parliament declared a state of emergency throughout the republic on Wednesday night after a legislator was shot and killed by a rogue paramilitary group, according to Soviet press accounts and Armenian officials.

Residents reached by telephone said the capital, Yerevan, was ringed by soldiers and was tense as the republic's popularly elected government set out to disarm the paramilitary faction, called the Armenian National Army.

Pitting Armenians against Armenians, the factional violence is the first serious test of a republican government elected on a platform of winning full independence from the Soviet Union.

The Soviet government daily Izvestia said the latest violence in Armenia had begun when militants from the Armenian National Army clashed with members of the Armenian National Movement who were guarding a gasoline station in Yerevan.

When a parliamentary deputy, Viktor Aivazyan, appeared at the heavily fortified headquarters of the Armenian National Army Wednesday morning with a delegation to inquire about the incident, according to press accounts, he was shot. Mr. Aivazyan died later in a hospital.

The latest outbreak of Armenian violence came as President Mikhail S. Gorbachev was trying to draw up an agreement that would hold together a union torn by separatism and economic decline.

So far, 13 of the 15 Soviet republics have challenged Moscow's authority, either by declaring their right to overrule Soviet law or by announcing steps toward secession.

In Moscow, Mr. Gorbachev spent five hours with his most formidable rival, Boris N. Yeltsin, president of the Russian Republic.

Aides said the two men had reached general agreement on a co-

See ARMENIA, Page 2

From Liberia's Neighbors, Threat of a Wider War

By Kenneth B. Noble
New York Times Service

ABIDJAN, Ivory Coast — The eight-month-old civil war in Liberia is threatening to become a wider conflict as neighboring West African countries begin to take opposing sides, according to African and Western diplomats.

Troops from Nigeria and four smaller West African nations have established control over the port area of the capital, Monrovia, since they landed Friday, and the 3,000 men are reportedly advancing toward the government-controlled stronghold in the city's densely populated center.

But Burkina Faso, in the face of an intervention that it opposes, has begun sending arms and troops to support the National Patriotic Front, the main rebel group fighting to topple the rule of President Samuel K. Doe, according to diplomats and journalists recently expelled from Liberia.

In recent days, moreover, a steady stream of people has crossed the border into Liberia from the Ivory Coast and has joined rebel forces there, diplomats and other observers say.

But the Ivory Coast government has remained neutral in the conflict, electing not to join the five-nation effort spearheaded by Nigeria, the richest and most powerful country in the region, in the stated hope of restoring a measure of order and avoiding anarchy in Liberia.

At the same time, Tom Woweiyu, a spokesman for the National Patriotic Front, has embarked on a tour of West African capitals to try to persuade leaders to oppose the presence of the multinational force.

In addition to Nigeria, which has a population of 98 million, the force includes troops from Ghana, which has 14 million inhabitants; Guinea, which has about 6.5 million; Gambia, with around half a million, and Sierra Leone, which has 2.75 million.

They mobilized in Freetown, the capital of Sierra Leone, for the trip by sea to Monrovia.

As reports reached Abidjan on Tuesday that some rebels were surrendering to the multinational units, fears were rising in West Africa that instead of being contained, the civil war might yet set off a broader conflict throughout the region.

"We've got a real serious problem that could potentially involve much of the region," said a diplomat who has been closely involved in the conflict.

An American official said: "For months, we've been warning Liberia's neighbors that it could create an explosive situation if they appeared to be taking sides in the war. Unfortunately, that now appears to be what is happening."

The official added that because of growing uncertainty about the neutrality of the peacekeeping effort, it was doubtful that the United States would contribute to the West African initiative.

The main rebel group, led by Charles Taylor, has resisted any foreign military intervention in the conflict.

Mr. Woweiyu, the rebel spokesman, said he was particularly concerned that the force included troops from Nigeria and Guinea, two countries that he said were partial to Mr. Doe.

He added that he had obtained evidence that Guinea had sent a large contingent into Liberia several months ago to aid the president.

Rebel officials have also argued that the force is not neutral because it consists of troops from Sierra Leone and Guinea, which have important ethnic and religious links to Liberia.

One of the largest ethnic groups in Guinea, for example, is the Mandingo, which is also a major ethnic group in Liberia.

In recent months, forces loyal to Mr. Tay-

See LIBERIA, Page 2

German Unity Pact, Settling Last Issues, Is Expected Friday

The Associated Press

BONN — The government of Chancellor Helmut Kohl said Wednesday that a treaty putting the final touches on German unity and meshing the two nation's laws would probably be signed Friday.

The announcement signaled the end of weeks of feuding over parts of the document, such as abortion rights in a united Germany.

Interior Minister Wolfgang Schäuble said the West German government and opposition had achieved a breakthrough. He said the two German governments would hold a final round of negotiations on the treaty Thursday.

The West German cabinet plans to approve the treaty Friday so that it can be signed the same day by both Germanys, Mr. Schäuble said.

He made the announcement after Mr. Kohl met with the governors of the West German states, most of whom belong to the opposition Social Democratic Party.

The draft treaty resolves a range of issues involved in reunification, such as distribution of sales tax revenues, claims by West Germans to East German property and abortion laws.

One major dispute involved Mr. Kohl's insistence that West German women be barred by law from seeking abortions in East Germany, which has a more permissive abortion law.

The opposition Social Democrats threatened to block the treaty unless Mr. Kohl relented.

Mr. Kohl needs a two-thirds majority in parliament to ratify the treaty and therefore must have the support of the Social Democrats.

Mr. Kohl had indicated in recent days that he might reverse his stance on abortion. But he made no statement Wednesday to define his revised position.

Approval of the treaty is not essential for unification. But leaders of both nations considered it imperative that they negotiate such a document rather than allow West German law to take effect automatically in East Germany.

The major political parties had agreed that the Germanys should keep their respective abortion laws for two years, until an all-German parliament can adopt abortion statutes for a united Germany.

But there were intense differences, even within Mr. Kohl's coalition, over his decision that West German women must be barred from seeking abortions in the East. The Free Democrats, junior partners in the coalition, had sided with the Social Democrats.

East German women have a legal right to an abortion in the first 12 weeks of pregnancy, but West German women must prove that the pregnancy is life-threatening, that it resulted from rape or incest, or that it would create severe social or economic hardship.

■ Bonn Charges 2 as Spies

Two West Germans, including a former captain of the intelligence service, have been charged with treason and passing secrets to East Germany, Reuters reported Wednesday from Karlsruhe, quoting the public prosecutor's office.

The office said an agent identified as Alfred S., who had joined the West German intelligence service in 1968, had started passing copies of top-secret documents to the Stasi security police of East Germany in 1972. He was aided by an agent identified as Ludwig S., the office said.

The documents included assessments of the East German role in the Warsaw Pact.

The two men have been in custody since November.

Valery Hache/Reuters

FRENCH BEEF — A riot policeman in Vannes, in western France, subduing a farmer who was part of nationwide protests Wednesday over falling meat prices and a shortage of drought aid. Farmers said surging EC and East European imports had caused a 6 percent drop in beef prices since June. Protesters blocked six border crossings from West Germany, halted high-speed trains by putting hay on the tracks and used tractors and trucks to stop traffic.

13 Killed In Crash of Saudi-Bound U.S. Plane

By Marc Fisher
Washington Post Service

RAMSTEIN AIR BASE, West Germany — Thirteen American soldiers died Wednesday when a C-5A transport plane carrying supplies for forces in Saudi Arabia crashed on takeoff and burned in a field near the largest U.S. chemical weapons depot in Europe.

Four soldiers survived the early-afternoon crash. They were reported in stable condition at a medical center near the site of the crash.

There was no immediate indication of what caused the crash of the 20-year-old, four-engine Galaxy. Part of the 60th Military Airlift Wing from Travis Air Force Base in California. It had arrived at Ramstein, between Frankfurt and the German-French border, about 17 hours before takeoff.

As the jet transport took off on a short hop to Rhein-Main Air Base, where it was to get its orders for the run to the Gulf, it hit a stand of trees about 300 meters (325 yards) yards from the edge of the runway. It flipped and tumbled into a field adjacent to the runway, bursting into flames and breaking into two large pieces and several smaller ones.

"I heard the engine warm up, and then the grinding takeoff sound," said the mayor of Ramstein, Julius Divivier, who lives near the runway. "Suddenly the takeoff noise stopped, and then I looked out and saw the ball of fire."

The crash sparked a new outcry by West German citizens and politicians who want the U.S. bases in the area to limit or stop military flights. Huge transport planes like the Galaxy, which can carry 118,000 kilograms (260,000 pounds) of cargo and make a startling buzzing noise on takeoff, fly in and out of Ramstein around the clock, more than 100 times a day, according to local anti-noise activists.

The C-5A, with 82,000 kilos of fuel aboard, had instructions to turn sharply after takeoff to avoid flying over the U.S. chemical weapons depot at Miesau, eight kilometers (five miles) from where about two-thirds of the U.S. poison gas stocks are being held during the ongoing removal of the weapons from West Germany.

Local officials of the Social Democratic Party, the country's second-largest party, demanded that the U.S. Air Force close Ramstein for the remainder of the chemical weapons withdrawal, which began early this summer and is expected to continue into the fall.

An air force spokesman said that a plane crash into the poison gas stocks is "nearly impossible" because flight paths have been altered to avoid the depot.

WORLD BRIEFS

Soviets Return Chinese MiG-19 Pilot

MOSCOW (Reuters) — A Chinese Air Force pilot who flew his MiG-19 fighter to a Soviet airfield, apparently in an attempt to defect to the West, was returned to China on Wednesday, the Soviet government newspaper Izvestia said.

The 28-year-old pilot, a senior lieutenant and member of the Chinese Communist Party, was placed on a special Chinese passenger jet that flew to Vladivostok in the Soviet Far East to pick him up. His plane was also returned, the daily said.

The Chinese pilot flew across the border on Saturday, apparently hoping to refuel in the Soviet Union and fly to the United States, Izvestia said. But his plane was intercepted by Soviet aircraft and forced to land at a military air base.

U.S. Stops Imports of Foreign Tuna

SAN FRANCISCO (LAT) — A federal judge has ordered the Bush administration to impose an immediate embargo on imports of tuna caught by foreign fleets until they prove that they are reducing the number of dolphins they kill.

The ruling on Tuesday by a U.S. District Court judge, Thelton Henderson, affects at least five nations — Mexico, Venezuela, Panama, Ecuador and Vanuatu. The ruling is virtually certain to be appealed.

Judge Henderson said the government had failed to enforce a 1988 provision of the Marine Mammal Protection Act by not demanding that countries prove they are cutting their dolphin kills to levels comparable to the U.S. fleet's so-called incidental take. He ordered an embargo until the Department of Commerce showed proof that foreign fleets had reduced the number of dolphins killed.

Alaskans Reject Legalized Casinos

NEW YORK (AP) — Alaskan voters overwhelmingly rejected a measure to legalize casino gambling, election results showed Wednesday, and voters in Oklahoma narrowed a field of gubernatorial candidates to four, setting up two Sept. 18 runoffs there.

The casino measure, which was sought as a way to generate state revenues, lost by a margin of 65 percent to 35 percent. In other results from Alaska, a Republican state senator, Arliss Sturgulewski, and the former mayor of Anchorage, Tony Knowles, a Democrat, won their parties' nominations for governor. Senator Ted Steven, a Republican, won nomination for a fourth full term.

In the Oklahoma governor's race, Vincent Orza, a restaurant owner, will face a former U.S. attorney, William Price, for the Republican nomination. In the Democratic race for governor, Wes Watkins, a seven-term congressman, and a businessman, David Walters, finished on top. In the state's Democratic primary, Senator David L. Boren easily won in his bid for a third term. Mr. Boren will face Stephen Jones, a Republican lawyer who ran unopposed.

Yugoslav Mine Deaths Rise to 150

BELGRADE (AP) — The death toll in Yugoslavia's worst mining accident climbed Wednesday to at least 150, and officials said the final toll could reach 180.

Inspectors said too many miners were allowed in the shaft at the Kreka coal mine, 140 kilometers (90 miles) west of Belgrade, contributing to the high death toll in the explosion that shook the mine early Sunday morning.

Rescuers found the bodies of 150 miners and started bringing them to the surface early Wednesday, using a conveyor system repaired after the blast. Teams working in round-the-clock shifts were still trying to clear away rubble blocking access into remote parts of the 14-kilometer maze of underground corridors, officials said.

Rebels Accept UN Plan for Cambodia

UNITED NATIONS, New York (AP) — Cambodian resistance forces, including the Khmer Rouge, accepted on Wednesday an offer from the five permanent members of the Security Council for an interim UN administration of Cambodia.

Vietnam and the government it installed in Cambodia have yet to reply to the proposals, which were adopted Tuesday. U.S. officials are to meet with Vietnamese diplomats Friday at the United Nations to try to persuade Hanoi to back the plan.

One U.S. diplomat said the UN, if approved, would be unprecedented, costing the United Nations up to $5 billion over one or two years and involving as many as 10,000 peacekeeping troops and 10,000 civilian personnel.

Prospects Mixed for Shuttle Takeoff

CAPE CANAVERAL, Florida (Reuters) — The countdown began Wednesday for the first U.S. shuttle flight in four months, but NASA said prospects of poor weather meant there was a 40 percent chance Columbia would not lift off Saturday as scheduled.

Seven astronants will fly Columbia's nine-day star observation mission, using the $148 million Astro Observatory, stationed in Columbia's payload bay, to examine invisible emissions from stars. It will be the first shuttle mission since April, when Discovery placed the Hubble Space Telescope into orbit. The original countdown was stopped when the shuttle sprang a fuel leak on May 29.

Despite the weather forecasts, preparations for Columbia's second lift-off were "chugging along towards a launch" at 1:17 A.M. on Saturday," a NASA spokesman said.

For the Record

Nancy Reagan had a small tumor removed Wednesday from beneath her left nostril, a spokesman said. The basal cell carcinoma was discovered during a routine dermatological examination at the Mayo Clinic in Minnesota and was removed by a surgeon, said Mark Weinberg, spokesman for Mrs. Reagan and former President Ronald Reagan. *(AP)*

TRAVEL UPDATE

Lufthansa has applied to West Germany for permission to operate nonstop flights between Tokyo and Berlin, the Tokyo office said. The West German airline is planning to operate two flights a week on Boeing B747-400 aircraft. It hopes to start the service by the end of October. It has also applied for routes between Berlin and New York, Munich, Düsseldorf and Frankfurt. *(Reuters)*

Switzerland has rejected calls to lift its ban on heavy trucks and help end traffic jams caused by a collapsed road bridge in the Austrian Tyrol. The Swiss government, which enforces a 28-ton truck limit, said Wednesday that it was not ready to temporarily open the Basle-Chiasso motorway to 40-ton trucks as requested by West Germany. Damage to the Kufstein bridge over the Inn River, a key link in trans-Alpine traffic between West Germany and Italy, forced its closure last month and led to a surge in traffic on alternative routes through Austria. *(Reuters)*

At least 21 airlines operating from Singapore will raise excursion fares between 5 and 10 percent from Saturday to cover the rise in fuel costs since the outbreak of the Gulf crisis, Singapore Airlines said. *(Reuters)*

WEATHER

	HIGH C	HIGH F	LOW C	LOW F	
EUROPE					
Amsterdam	22	72	15	59	fr
Athens	32	90	23	73	fr
Barcelona	31	88	21	70	fr
Belgrade	30	86	18	64	fr
Berlin	28	82	15	59	fr
Brussels	29	84	16	61	fr
Budapest	29	84	15	59	fr
Copenhagen	21	70	14	57	fr
Costa Del Sol	31	88	22	72	fr
Dublin	21	70	15	59	fr
Edinburgh	21	70	14	57	fr
Faro	32	90	18	64	fr
Florence	32	90	17	63	fr
Frankfurt	29	84	14	57	fr
Geneva	30	86	14	57	fr
Helsinki	19	66	8	46	fr
Las Palmas	28	82	22	72	fr
Lisbon	30	86	19	66	fr
London	26	79	16	61	fr
Luxembourg	28	82	17	63	fr
Madrid	34	93	19	66	fr
Milan	29	84	16	61	fr
Moscow	25	77	9	48	sh
Munich	27	81	13	55	fr
Nice	29	84	21	70	fr
Oslo	19	66	11	52	fr
Paris	28	82	18	64	fr
Prague	29	84	13	55	fr
Reykjavik	13	55	8	46	r
Rome	32	90	19	66	fr
Stockholm	21	70	13	55	fr
Strasbourg	29	84	15	59	fr
Venice	31	88	19	66	fr
Vienna	29	84	16	61	fr
Warsaw	28	82	9	48	fr
Zurich	26	79	14	57	fr
MIDDLE EAST					
Cairo	36	97	22	72	fr
Istanbul	25	77	21	70	fr
Moscow	38	100	22	72	fr
Rhodes	36	97	25	77	fr
Tel Aviv	31	88	23	73	fr
OCEANIA					
Auckland	—	—	—	—	na
Sydney	—	—	—	—	na

	HIGH C	HIGH F	LOW C	LOW F	
ASIA					
Bangkok	34	93	27	81	fr
Beijing	32	90	21	70	fr
Hong Kong	32	90	29	84	fr
Manila	32	90	24	75	fr
New Delhi	32	90	25	77	fr
Seoul	31	88	23	73	fr
Shanghai	31	88	26	79	fr
Singapore	31	88	26	79	th
Taipei	31	88	27	81	th
Tokyo	29	84	23	73	fr
AFRICA					
Algiers	33	91	17	63	fr
Cape Town	17	63	11	52	fr
Casablanca	22	72	12	54	fr
Harare	22	72	11	52	fr
Lagos	—	—	—	—	—
Nairobi	23	73	13	55	fr
Tunis	30	86	21	70	fr
LATIN AMERICA					
Buenos Aires	—	—	4	39	fr
Lima	—	—	—	—	—
Mexico City	25	77	14	57	sh
Rio de Janeiro	—	—	—	—	sh
NORTH AMERICA					
Anchorage	18	64	10	50	sh
Atlanta	35	97	23	73	fr
Boston	30	86	18	64	fr
Chicago	28	82	15	59	fr
Denver	35	95	15	59	fr
Detroit	28	82	13	55	fr
Honolulu	31	88	24	75	fr
Houston	33	91	23	73	fr
Los Angeles	34	93	20	68	fr
Miami	34	93	26	79	fr
Minneapolis	24	75	15	59	fr
Montreal	27	81	16	61	fr
Nassau	34	93	25	77	fr
New York	31	88	20	68	fr
Phoenix	42	108	29	84	fr
San Francisco	23	73	14	57	fr
Seattle	24	75	13	55	fr
Toronto	33	91	21	70	fr
Washington	33	91	21	70	fr

ch-cloudy; to-toppy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

THURSDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Rain. Temp. 24 — 14 (75 — 57). LONDON: Cloudy. Temp. 22 — 16 (72 — 61). MADRID: Stormy. Temp. 29 — 19 (84 — 63). NEW YORK: Partly cloudy. Temp. 27 — 17 (84 — 63). PARIS: Showers. Temp. 24 — 14 (75 — 57). ROME: Stormy. Temp. 28 — 18 (82 — 64). TEL AVIV: NA. ZURICH: Rain. Temp. 25 — 14 (77 — 57). BANGKOK: NA. HONG KONG: NA. MANILA: NA. SEOUL: NA. SINGAPORE: NA. TOKYO: NA.

Arabs, Divided, Gathering in Cairo

Moderate Nations Seek to Keep Pressure on Iraqi Leader

By William Claiborne
Washington Post Service

CAIRO — The foreign ministers of Arab nations aligned against Iraq will gather here Thursday for a meeting that is likely to turn the spotlight on deepening cracks in Arab unity over the issue of how to handle the Gulf crisis.

Egyptian officials said Wednesday that only 12 of the Arab League's 21 members had agreed to send their foreign ministers to the meeting. The session was called to discuss putting into effect measures adopted at the Aug. 10 Arab summit meeting, at which time members approved the deployment of Arab troops to Saudia Arabia to defend the kingdom against a possible Iraqi attack.

Opposition to the Thursday meeting by several Arab nations reflects the deep split in the Arab world between the Cairo-led moderate majority and a loose, Iraq-led coalition that is opposed to intervention in the Arabian Peninsula by U.S. and other foreign forces.

Arab and Western diplomats said the main purpose of the meeting was to maintain diplomatic pressure on President Saddam Hussein of Iraq and prevent him from diverting attention from growing world rejection Iraq's invasion and annexation of Kuwait.

The diplomats said they did not expect any breakthroughs in the meeting, which Iraq has claimed is illegal because the Aug. 10 resolution that laid the groundwork for it was not unanimously approved, which Baghdad says was necessary under the Arab League Charter. Egypt maintains that only majority approval was needed.

The Aug. 10 resolution to send Arab forces to Saudi Arabia was approved by 12 of the league's 21 members, the same 12 who have said they will send representatives to the Thursday meeting. They are Egypt, Bahrain, Kuwait, Syria, Saudia Arabia, the United Arab Emirates, Djibouti, Lebanon, Morocco, Oman, Qatar and Somalia.

Opposing the meeting have been Iraq and its principal allies, Libya, the Palestine Liberation Organization, Algeria, Tunisia, Sudan, Jordan, Yemen and Mauritania.

Coinciding with the meeting are several other diplomatic initiatives in the region, including a visit Thursday to Jordan by the United Nations secretary-general, Javier Pérez de Cuéllar, who is scheduled to hold talks with Iraq's foreign minister, Tariq Aziz, and other Iraqi officials.

King Hussein of Jordan is continuing with his own diplomatic shuttle to North Africa and Europe in an attempt to advance an Arab political solution to the Gulf crisis that he hopes will allow the Western forces to leave the region.

The Palestine Liberation Organization chairman, Yasser Arafat, is also continuing to circulate a joint PLO-Libya peace plan that calls for a simultaneous withdrawal of Iraqi forces from Kuwait and foreign forces from Saudia Arabia. They would be replaced by an Arab peacekeeping force, possibly operating under the UN flag, after which negotiations between Kuwait and Iraq would begin.

IRAQ: *Exit Permits*

(Continued from page 1)

shat's impromptu remarks represented a policy change by the Iraqi government.

Mr. Hussein previously offered to free all 21,000 Western hostages in Iraq and Kuwait if Washington withdrew its forces from the Gulf and guaranteed that trade sanctions against Iraq would be lifted. The United States rejected the offer.

A White House official, meanwhile, confirmed that a former high-ranking U.S. official recently delivered a secret message from Iraq offering to release hostages and pull out of Kuwait if certain demands were met. The message was delivered to Brent Scowcroft, the president's national security adviser.

"This is basically a nonstarter," the official said of the proposed offer. "Our position has always been that Iraq must withdraw from Kuwait. Anything that seeks to circumvent the UN resolve does not provide great optimism for movement."

In the message, Iraq demanded that UN sanctions be withdrawn and that it be guaranteed access to the Gulf as well as sole control of an oil field that dips into Kuwait, according to Newsday, which first reported the proposal.

In another development, the European Community is likely to limit the movement of Iraqi diplomats in its 12 member nations in retaliation for the order to close embassies in Kuwait, diplomats said. They said they expected an official announcement to be made by the weekend.

Iraq sent senior ministers on Wednesday to ask Turkey to provide food and medicine cut off by UN sanctions, but Ankara refused.

Britain said the release of women and children would be welcome, but Foreign Secretary Douglas Hurd added: "This is a cat-and-mouse game — now a little mercy, now some more ruthlessness. And of course it's quite unacceptable."

Release of women and children would improve the atmosphere for a UN peace mission of Secretary General Javier Pérez de Cuéllar, which is to start in Amman on Thursday.

He is due to meet with Iraq's foreign minister, Tariq Aziz, who has said Baghdad is ready for unconditional talks. Asked about the talks, officials gave no hint that Mr. Aziz might be authorized to discuss a compromise.

President George Bush gave a radio pep talk Wednesday broadcast over Armed Forces Radio to troops in Saudi Arabia, but most U.S. soldiers in the Gulf did not hear it because the radio network does not have a transmitter in Saudi Arabia.

In Dhahran, a U.S. Navy captain said transcripts and tape recordings of the speech would be distributed to each unit in Saudi Arabia, a process that, including delivery time, will take a week.

Mr. Bush told the troops they stood "on the front line against aggression and international lawlessness. *(AFP, Reuters, AP)*

ARMENIA: *Legislator Shot*

(Continued from page 1)

ordinated economic program acceptable to the largest and richest republic.

Their proposal was to be presented Thursday to a joint session of Mr. Gorbachev's Presidential Council and representatives of the republics. No further details were available Wednesday night.

"We are on the threshold of a major decision, a real change in the economic structure and relations of the union itself," said Vitali Ignatenko, Mr. Gorbachev's new chief spokesman, speaking at a news conference.

Mr. Yeltsin has pressed for a rapid transition to free markets, including the sale of farmland and other property into private ownership, and for the gradual transfer of broad authority to the republics.

He has also demanded the resignation of the Soviet government headed by Prime Minister Nikolai I. Ryzhkov, who favors a slower dismantling of central economic controls.

Without the cooperation of Mr. Yeltsin, whose republic contains most of the Soviet Union's oil, gas, timber, gold and diamonds, Mr. Gorbachev stands little chance of putting a new economic program into effect.

Armenia has become accustomed to men under arms after more than two years of sporadic vigilante battles along the border with neighboring Azerbaijan and periodic attempts by Moscow to impose order with tanks and troops.

The spread of guerrilla bands, heavily armed in raids on police and military arsenals, has led to infighting and power struggles within the republic.

In July, Mr. Gorbachev issued an ultimatum giving armed factions 15 days to disarm under threat of military force, but he extended the deadline for two months after Levon Ter-Petrossian, the nationalist leader recently elected president of Armenia, assured Moscow that the new government could bring the strife under control.

Many paramilitary bands have since submitted to republican control, but the largest faction, the Armenian National Army — the republic government estimates its membership at 5,000 — has remained defiant.

At the urging of Mr. Ter-Petrossian, the parliament voted unanimously to impose a dusk-to-dawn curfew and to outlaw the group.

GOAL: *Bush Administration Hopes to Contain, if Not Topple, Iraqi Chief*

(Continued from page 1)

or as an overt military threat — this time with nuclear weapons.

Then there is the danger of kindling Arab world antipathy. President Hosni Mubarak of Egypt foreshadowed this problem Tuesday.

"If Saddam Hussein accepts to evacuate Kuwait," he said, "we the Arabs, all of us, will collaborate and stand with one hand and ask the foreign troops in the area to leave."

Mr. Bush has not talked about his plans in detail, and his senior aides will not discuss them for publication.

Indeed, many will talk about strategic questions only on the condition they not be quoted in any fashion, even anonymously. But what follows is an outline of what can be learned of the Bush strategy.

First, although administration officials have started to talk with guarded hope about new diplomatic activity, Mr. Bush has pointed out that Iraq has not shown any sign of leaving Kuwait.

As Mr. Bush has continued the military buildup, there have been warnings from some foreign policy experts, like former Secretary of State Henry A. Kissinger, that the president cannot afford to wait too long if he plans to use force.

But the administration is concerned that military action without specific provocation could rip apart the fragile Arab alliance.

And senior administration officials say Mr. Bush is neither insisting on the removal of Mr. Hussein or counting on that happening.

The first part of the administration policy is apparently to hold together the sanctions longer than Iraq can withstand the strangulation of its food, cash and military supplies.

There is always the possibility Mr. Hussein might attack rather than retreat. But the Bush administration is betting the sanctions would so weaken Iraq that it could not sustain a war and that the Iraqi leader would withdraw from Kuwait in the hope that he could enter into face-saving negotiations over Iraqi-Kuwaiti differences.

Mr. Bush has repeatedly emphasized that he will not negotiate on the United Nations' basic demand — that Iraq leave Kuwait.

But senior officials have left open the possibility that Arab countries could offer some kind of enticement.

Brent Scowcroft, Mr. Bush's national security adviser, has said talks over Iraqi-Kuwaiti differences might be reopened after Iraq agreed to withdraw from Kuwait.

But Edward N. Luttwak, a conservative commentator, said:

"Their calculation seems to be that Saddam Hussein knows less about Iraqi politics than they do. In their scenario, Saddam Hussein has to agree to withdraw, not knowing that this could conceivably lead to his overthrow. The other possibility is that he becomes altruistic and puts the interests of his country above his personal survival. Both seem unlikely."

Even if Mr. Hussein were to quit Kuwait, that would still leave open the question of how to prevent a future military move.

Mr. Bush's approach seems to be based on the hope that the Iraqi leader — as Mr. Scowcroft put it over the weekend — will be "in a box" politically and militarily.

"A withdrawal would occur after the military forces and political balance of the Middle East had been so fundamentally realigned that Saddam's actions could not continue as they did before," another official said.

This argument relies on several propositions:

- The new confluence of Soviet-American interests in the Middle East has radically altered the strategic equation, and Arab leaders can no longer count on Moscow as a counterweight to Washington. Mr. Bush's advisers say that will make it harder for Mr. Hussein to attack and easier to stop him if he does.
- With the blockade of Iraq, the members of the North Atlantic Treaty Organization have expanded the alliance's military role beyond Europe, providing another military deterrent to Iraq.
- The crisis has shaken the Arab power balance. Egypt has moved to the forefront, and Syria and Iran have moved toward the Arab mainstream.

But there is no guarantee that America's allies in Western Europe — to say nothing of the Soviet Union — will remain steadfast militarily over the long term or respond so quickly in the future.

Washington has always had trouble in its dealings with Egypt, and Iran's antipathy to the United States seems unabated. Syria has long been accused of sponsoring terrorism.

Another problem is that the Arab countries that back Mr. Bush might seek repayment — such as pressure on Israel to withdraw from the territory it occupies.

Finally, there is the issue of the government of Kuwait.

Ostensibly, the United States wants to restore the Kuwaiti emir to power, but that is an awkward policy after decades of fighting for democracy.

Indeed, since the first days of the crisis, there have been suggestions that Iraq's actions will force a democratization of Kuwait and the other Gulf monarchies.

Clearly, Mr. Bush cannot be seen to be negotiating the future of the Kuwaiti government with Mr. Hussein. So for now, that question, along with the others, is being deferred.

LIBERIA: *The Neighbors Join In*

(Continued from page 1)

lor have been accused of attacking Mandingos. At the same time, rebel forces have accused the Guinean government of sending arms and troops to Liberia.

Several journalists who were recently in Monrovia reported seeing a large cargo plane arriving at Spriggs-Payne Airport on Saturday night. They said it carried French-made rifles and grenade launchers.

They also reported talking with soldiers who said they were from Burkina Faso.

In an interview last week with the BBC, President Blaise Compaoré of Burkina Faso, a parched and landlocked country of around 8 million people that used to be called Upper Volta, said he was supporting the rebel challenge to the West African force because he believed that foreign military intervention would only exacerbate the situation.

"As far as we are concerned," Captain Compaoré said, sending in an intervention force "would be just like going to prop up the regime of Samuel Doe."

TARGETS: *Aiming for Iraq*

(Continued from page 1)

plants would not be an important target because, for the short run, Iraq has no nuclear capability. After the air force and the missile sites, he said, the principal aim "would have to be at the war-making capacity, not at civilians or even at the industrial capacity."

The State Department has said it has credible reports that Iraq is moving foreigners trapped within its borders to industrial sites that might be targets of attack.

Mr. Quandt said he assumed the U.S. military would take that into account "up to a point, but I think once they have decided something is really a high priority target, they will go after it with or without the presence of American civilians."

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A man and boy walking past battered apartments in Plainfield, Illinois, near Chicago. Roger Sommer/The Associated Press

Tornadoes Slash Through Illinois, Killing 24

Compiled by Our Staff From Dispatches

PLAINFIELD, Illinois — The death toll from tornadoes that hit northeastern Illinois rose Wednesday to 24 as Governor James R. Thompson sent National Guard troops to the area and declared Will County, where the damage was centered, a disaster area.

The dead included at least eight residents of an apartment complex badly damaged when tornadoes touched down in four spots on Tuesday afternoon, flattening as many as 100 homes. At least six people were missing.

The tornadoes were the most powerful to strike the area in more than two decades. They left a seven-mile (11-kilometer) trail of destruction near Joliet, about 30 miles southwest of Chicago.

"Cars were flying all over the place," said Tony Alcisio, who was driving through the area when the storms struck. "It happened so fast that all I could do was sit there and watch. Then 15 minutes later the skies got blue like it had never even happened."

One tornado struck an apartment complex in Crest Hill about 3:40 P.M., flattening some of its three-story brick buildings.

A high school in Plainfield was demolished and some of the 175 students and teachers inside were hurt. Coaches rushed dozens of athletes from a gymnasium moments before the roof collapsed.

William Ferguson, deputy coroner of Will County, said that 24 people were known dead and that at least 328 people had been treated at area hospitals for injuries related to the tornadoes. He said the dead included three people pulled from the wreckage of a Roman Catholic church.

More than 100 houses were believed to have been destroyed. The National Guard troops were sent in after reports of isolated looting.

Dale Moffett, 36, a construction worker who was in his apartment when the storm hit, said that when he heard the roar of the wind coming, "My first thought was that Iraq had attacked."

The storms blacked out 17,000 homes and businesses and flattened crops. Telephone service was cut to thousands of residents. Dozens of cars and trucks were blown off Interstate 55, and at least six persons were injured in their vehicles.

The Red Cross said that about 600 people were left homeless. *(UPI, AP, LAT, Reuters)*

North Florida Police Seek a Mass Killer

By Laura Parker
Washington Post Service

MIAMI — The discovery of five murder victims since Sunday has shocked and frightened residents and set off a dragnet for a mass killer in Gainesville, a quiet college town in northern Florida.

The mutilated bodies of four women and a man, all college students, were found in three apartments near the University of Florida campus, authorities said.

"We have every reason to believe the murders are probably all connected to one suspect or two suspects," said the Gainesville police chief, Wayland Clifton. He declined to discuss precisely what led police to link the murders.

[University students stocked up on guns and security devices on Wednesday, and some parents recalled their children, United Press International reported from Gainesville. Store owners reported runs on dead-bolt locks, Mace and battery-powered stun guns; they said people were buying rifles and shotguns to avoid the 48-hour waiting period state law requires for pistols.

["It's clear this part of the country has some maniac on the loose," the university's president, John Lombardi, said. "It reminds us of a natural catastrophe. The killer is selecting victims by criteria that are not clear to us."]

Mr. Clifton said more than 50 investigators from the FBI, the Florida Highway Patrol and the state department of law enforcement had been sent to Gainesville.

"I don't think it takes a rocket scientist to figure out that anybody that commits homicide using mutilation is a pretty sick individual, and it's somebody we want to get off the streets very badly," said a spokesman for the Alachua County Sheriff's Department.

The killings evoked memories of Ted Bundy, the serial killer who stalked college campuses from Washington state to Florida in the 1970s. His execution last year, 35 miles (55 kilometers) from Gainesville, drew 2,000 cheering spectators to a grassy field across the highway from Florida's death row in Starke.

Mr. Bundy was executed for murdering a 14-year-old girl in 1978. He also was convicted of killing two sorority sisters at Florida State University in Tallahassee that year, and police officials in many states have said they believe that he may have killed as many as 36 college-age women.

"That's what we're all saying — it's another Ted Bundy on the loose," said Jana Walters, 18, a University of Florida freshman.

Three students who live across the street from the apartment where the first two victims were found Sunday afternoon said they were going home to Key West. Other students said they were afraid and were sleeping with steak knives.

The first two victims, freshmen roommates, were discovered in their apartment after one of the victim's parents could not reach her by telephone and called the police.

The victims, Sonya Larson, 18, and Christina P. Powell, 17, were found in a bedroom and the living room of their apartment near the campus after the maintenance man opened the door for the police.

Investigators say they believe they had been dead for 48 to 72 hours when found. Neighbors told the police that they had seen one or two people leaving the apartment early Saturday but did not recognize them.

Early Monday, eight hours after discovery of the two victims, the police found the body of Christa Leight Hoyt, 18, inside her apartment about two miles from the complex where Miss Larson and Miss Powell lived.

Miss Hoyt was a records clerk at the county sheriff's office; deputies checked her apartment when she failed to report as scheduled for a midnight shift.

The fourth and fifth victims were identified as Tracy Inez Paules and a friend, Manuel R. Tobada, 23. They were found Tuesday morning inside a ground-floor apartment.

Mr. Tobada had recently been accepted at nearby Santa Fe Community College and was planning to study architecture.

Gainesville policemen have been going door to door to reassure residents. But because so many students said they did not feel safe and wanted to leave town for a while, the university extended until Sept. 7 the period during which students can add or drop classes.

U.S. Aide Backs Seizing of Mexican

By Philip Shenon
New York Times Service

WASHINGTON — The new head of the Drug Enforcement Administration has defended the agency's role in the abduction of a Mexican doctor charged in the 1985 torture and killing of a U.S. drug agent in Guadalajara.

The administrator, Robert C. Bonner, said he thought the Justice Department would vigorously pursue its appeal of a U.S. court ruling that could result in freedom for the Mexican suspect, Humberto Alvárez Machaín, 43, who is now in custody in Los Angeles.

Mr. Alvárez, a gynecologist, is accused of playing a central role in the death of the American agent, Enrique Camarena Salazar. On Aug. 10, a federal judge in Los Angeles ruled that Mr. Alvárez had been seized in violation of an extradition treaty between the United States and Mexico and should be returned to his own country.

"I'm troubled by that opinion," Mr. Bonner, a former U.S. attorney in Los Angeles, said Tuesday. "The implications of the case are that anyone who can get a foreign government to issue a note of protest may have a ticket out of prosecution, conviction and sentencing in the United States."

Asked whether he believed the agency's actions in seizing Mr. Alvárez had been proper, Mr. Bonner replied: "As I understand it, that is correct. I don't think there is any violation of United States law or the Constitution here."

In the Aug. 10 ruling, which was hailed by the Mexican government, Judge Edward Rafeedie of Federal District Court in Los Angeles found that Mr. Alvárez's abduction by armed Mexican bounty hunters paid by the Drug Enforcement Administration had violated extradition agreements between the United States and Mexico, and that American courts had no jurisdiction over him.

The Drug Enforcement Administration has acknowledged that it offered a $50,000 reward for Mr. Alvárez's capture and paid $20,000 in "expenses" to the Mexicans who abducted him.

The case dates from 1985, when Mr. Camarena was kidnapped on a street in Guadalajara and then interrogated, tortured and killed by members of a narcotics ring. Federal prosecutors said Mr. Alvárez prolonged Mr. Camarena's life as he was tortured.

Mr. Alvárez has been in American custody since early April, when he was seized by the bounty hunters in Guadalajara and then delivered to U.S. agents in El Paso.

New Papal Message Worries Catholics

By Peter Steinfels
New York Times Service

NEW YORK — Pope John Paul II is completing a major statement on Catholic moral teaching that is already generating rumors and anxiety among Roman Catholic theologians.

Some suggest — and a leading Vatican official denies — that it will declare the church's condemnation of contraception to be infallible teaching.

Other theologians expect a broader and more theoretical document that will not deal explicitly with contraception but will nonetheless reflect the Pope's determination to bolster the church's teaching against it.

The issue of birth control has emerged as a central one for the papacy of John Paul II and has put the Vatican at odds with theologians as well as lay people.

The new statement, expected to be issued this fall, will almost certainly heighten fears among Catholics, particularly in the United States, that the church is making the issue a touchstone that guides its actions on questions from the naming of bishops to other theological issues.

A spokesman at the Vatican press office confirmed Tuesday that the pope was preparing a major statement, to be issued as a papal encyclical or in slightly less solemn form of an apostolic letter.

But he said he had no information on its contents.

Last month 22 European theologians, including Hans Küng and Edward Schillebeeckx, signed a declaration warning that a document elevating the ban on birth control to the status of infallible teaching "would intensify to a catastrophic degree the polarization within our church and accelerate the church's loss of credibility."

But a Swiss Catholic news agency quoted Cardinal Joseph Ratzinger, head of the Vatican office that oversees doctrine, as saying he had no reason to believe that the document would invoke infallible teaching in regard to birth control.

For the Pope and the church, a doctrine taught infallibly is taught with a God-given assurance of its truth.

(An ancient doctrine considered infallible is that Jesus is the son of God; a doctrine declared infallible by the Pope in modern times is that Mary was conceived free of original sin.)

Martha Dodd Stern Dies, Author Who Fled to Prague

New York Times Service

NEW YORK — Martha Dodd Stern, 82, an American author who in the 1930s and 1940s wrote books about Nazi Germany and later fled behind the Iron Curtain when she and her husband, Alfred K. Stern, were accused of being Soviet spies, died Aug. 10 in Prague.

Martha Dodd came to public attention in 1939 with her first book, "Through Embassy Eyes." It told of her four years in Berlin beginning in 1933 when her father, William E. Dodd, was appointed ambassador to Germany after Hitler's rise to power. Then in her 20s, she was at first impressed by the Nazis, but her later disillusionment was reflected in her book.

In the early 1950s, she and Mr. Stern became targets of anti-Communist investigations. They moved to Mexico in 1953, and four years later Boris Morros, an American counterspy, testified to the House Committee on Un-American Activities that the Sterns were part of a Soviet spy network. When they were indicted for espionage in 1957, they fled to Prague, where they settled.

Other deaths:

Raymond St. Jacques, 60, an imposing, multilingual actor who appeared in the movies "Black Like Me," and "Glory." Monday of cancer in Los Angeles. He acted in theater productions of "The Man With the Golden Arm," "Romeo and Juliet," "Raisin in the Sun" and "Julius Caesar." He also appeared in the television series "Roots."

Earl Veron, 68, a U.S. District Court judge who presided over the trial of former Representative Otto E. Passman, Democrat of Louisiana, in a South Korean influence-peddling scandal, Tuesday of heart failure.

Willy Vandersteen, 77, a cartoonist whose adventures of Suske en Wiske were translated in 20 languages and sold hundreds of thousands of copies, of a heart ailment in Brussels.

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Cambodia Breakthrough

The new agreement on Cambodia among the five permanent members of the United Nations Security Council is extraordinary. It is a breakthrough on a major and heretofore divisive, explosive and intractable regional issue. It demonstrates the awesome capability of a Security Council working the way the founders of the United Nations intended. It opens an 11th-hour possibility of preventing the civil war that continues to rend Cambodia from becoming, again, an inferno presided over by the Khmer Rouge.

The permanent five's premise was that at this point it was a waste to expect Cambodians to sit down and sort out their affairs. Acting on an idea that Representative Stephen Solarz had designed and Australia had put into diplomatic orbit, the five determined to substitute a temporary UN presence with the authority to make the tough calls. Formal sovereignty is to shift from the contested, Hanoi-seated Hun Sen regime to an all-party Supreme National Council that will take over Cambodia's UN seat from the Khmer Rouge-dominated resistance coalition. But it then falls to the United Nations to see to a transition to a new regime, disarmament, elections, human rights and guarantees of Cambodian neutrality.

These plans are unprecedented in their scope and are bound to be difficult — and expensive: upward of $1 billion — to realize. But less ambitious plans for, for instance, Nicaragua-type internationally monitored elections seemed, in the eyes of a rarely united permanent five, unlikely either to stop the fighting or to ensure a level political playing field.

Some hard selling to the Cambodians is still necessary. Moscow, by cutting aid and retreating from empire, is applying pressure to its clients in Hanoi and Phnom Penh; Washington, exploiting its new Indochina policy statement of July, wields the incentive of normalizing relations with the local Communist regimes. Beijing proclaims a serious intent to rein in the Khmer Rouge, whose arms it supplies, in the context of a regional settlement. The British and French are applying their influence. The Japanese are, fortunately, working, too.

It is hard to imagine that Hun Sen or the Khmer Rouge relish the prospect of fair elections. Prince Norodom Sihanouk and Sonn San, on the non-Communist side, may have their own reservations. But they are all being propelled into a peace process by their own war weariness and by the collective determination of outside powers. Anyone who blocks the path takes on an immense responsibility.

— THE WASHINGTON POST.

Beware of Too Little

George Bush is right to be skeptical about Saddam Hussein's willingness to withdraw from Kuwait. But he is also right to insist on talking with Baghdad. Washington cannot appear to oppose efforts to promote a peaceful resolution of the Gulf conflict. What it can do is stress the minimum conditions for a settlement — that Iraq withdraw from Kuwait unconditionally, and stop threatening the region. And Mr. Bush needs to work toward a broad consensus on both these objectives.

Hawks make no sense when they question Javier Pérez de Cuéllar's impending meeting with Iraq's foreign minister. That is the job of the United Nations secretary-general, and he goes to Amman to insist that Baghdad accept UN demands.

U.S. support for diplomacy is essential to sustaining global support for a collective response to the Gulf crisis. Hearts and minds matter as well as embargoes and the military buildup in Saudi Arabia.

Saddam Hussein is playing directly to world opinion, however crudely. Witness his promise to free women and children hostages, and his grandstanding challenge to debate Mr. Bush and Prime Minister Margaret Thatcher before a global television jury.

The consensus so far orchestrated by Mr. Bush does not mean agreement on the terms for ending the siege once Iraq's leader has felt the full weight of world pressure. Unanimous Security Council resolutions provide the correct starting point: immediate and unconditional Iraqi pullout from Kuwait, restoration of its legal rulers and the release of foreigners lawlessly held captive by the Iraqis. But suppose Saddam says yes, and withdraws to his own borders. Could the world be safe while he still retained his enormous potential for future aggression? The UN terms would still leave Iraq with a million-strong army, an arsenal of chemical weapons and a nuclear potential — after the international military presence ebbs.

The problem is clear: The UN resolutions don't go far enough. There is a need for broader objectives — reducing the risks of future Iraqi aggression and preventing hostile control of Gulf oil. To these ends, Iraq would have to agree to destroy its chemical and nuclear weapons facilities and accept credible international inspection. This would be accompanied by border guarantees and an international force to monitor frontiers.

But there is a serious problem: Many nations will strongly resist these more ambitious objectives. Most surely understand that getting Iraqi troops out of Kuwait will not be sufficient to prevent future threats, but they worry about the consequences of demanding more. They think Saddam Hussein might agree to leave Kuwait, but that he would never assent to limitations on Iraq's military power. They fear that such goals would preclude peaceful compromise.

More ambitious goals do carry risks. But it is up to Mr. Bush to see the necessity of a comprehensive approach to peace, and then to convince others of the risks of settling for too little. If Iraq's military might is permitted to stay intact, and grows, the remarkable bonding of the world community to resist aggression this time might be in vain.

— THE NEW YORK TIMES.

Communists In and Out

Incomplete Revolution

In Bulgaria, some of the citizens expressed their views of their government on Sunday by sacking and burning the headquarters of the ruling Socialist (formerly Communist) Party. In Romania, demonstrations and rock throwing have been going on in the middle of the capital since last week. In Yugoslavia, where Croatia recently voted for greater autonomy under the Serb-dominated federal government, Serbs living in Croatia last week voted for greater autonomy from the Croats — after their own heavily armed patrols closed local roads to prevent police interference with their referendum.

Eastern Europe's revolution still has a long way to go. Popular uprisings overthrew Communist governments last year in Bulgaria and Romania, but Communists under one name or another continue to run the governments there. Communists continue to hold power in Yugoslavia, although they have lost control of two of its provinces. Albania, under its own eccentric style of Stalinism, has relaxed slightly in recent months but continues to be hardly more accessible than Tibet. Amid all of the well-justified celebration of freedom's victories in Eastern Europe, it is useful to remember that nearly 60 million people live in countries where those victories remain at best incomplete.

There is an increasingly sharp distinction between the countries to the north — Poland, Czechoslovakia and Hungary — and the Balkans. To the north, elections have definitively removed the Communists from control of government. All three of those countries believe that their future lies with the European Community. To the south, the general sense of direction is much less clear and certain. Elections have failed to produce governments around which their people have rallied. They have been unable to undertake essential reforms. Why?

One reason is inexperience with democracy or any form of government but simple despotism. Another is that except for northwestern Yugoslavia — the two provinces that have voted out their Communist rulers — these lands are profoundly isolated from the rest of Europe, and not only geographically. Frustrated by their inert governments, people in the streets turn to violence. In that atmosphere, the traditional ethnic feuds flourish. The Balkan countries desperately need help from the West, but they are unlikely to get much of it as long as they remain under regimes that their own people dislike and distrust. Over time these countries will change, but it is not happening quickly.

— THE WASHINGTON POST.

Keep Helping Prague

President Vaclav Havel has what the playwright Vaclav Havel would recognize as a second-act problem. In February, the U.S. Congress applauded his account of Prague's democratic revolution. The applause continued as Czechoslovakia and the United States signed an agreement to normalize trade and to make permanent most-favored-nation tariff cuts. Since then Mr. Havel's audience seems to have disappeared; legislation to bring the mutual benefits of the trade agreement into play has yet to be approved.

Failure to pass it would send a message of indifference to Prague. Time is running out. The bill was submitted in August, and Congress must act within 60 days of the date of submission. If it does nothing before adjourning this fall, it cannot act again until next January. The bill thus needs rapid clearance by the Senate Finance Committee and the House Ways and Means Committee when Congress returns after Labor Day. The only obstacle is lassitude.

The legislation is designed to increase bilateral trade, which now amounts to about $150 million a year. Enactment would make Czechoslovakia's exports like glassware and beer more competitive, and clear the way for U.S. companies to open bank accounts, pay for goods in local currency and speed repatriation of profits.

Among the bill's supporters is former Representative Charles Vanik, himself of Czech origin and co-sponsor of the Jackson-Vanik legislation that links trade benefits to emigration rights. Freedom of travel as well as all other freedoms are being secured by Prague's post-Communist regime. How perverse if the creaking machinery of U.S. democracy undermined Prague's democratic experiment. Prompt attention by Congress is essential to prevent this absurdist finale.

— THE NEW YORK TIMES.

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OPINION

For Saddam as for Nasser, Palestinians Can Be Useful

By Larry Collins

ATLANTA — The analogy of choice in the current Middle East crisis has been the comparison of Iraq's Saddam Hussein with Adolf Hitler. The press invokes it daily. Even George Bush has resorted to it. The comparison, however, is inexact and inappropriate.

At the outset of World War II, Adolf Hitler presided over the second industrial nation in the world — some would say the first — and what was indisputably the planet's most potent military establishment. His social order was so rigorously ordained that it was able to exterminate millions of human beings with barely a hiccup in its procedures.

Saddam Hussein is a ruthless dictator who had no known scruples about using poison gas on his enemies and even on his own people, the Kurds. Nonetheless, he runs an overarmed Third World state, a country with a limited industrial base, unable to feed itself and dependent on just one export, oil.

A comparison that is both more instructive and more appropriate is that of Saddam Hussein with another hero of the Arab masses, the late Gamal Abdel Nasser. Both respond to a deep-rooted need in the Arab psyche, a longing for the warrior-father whose conquests can erase the stain of the dark centuries, those years when first the Ottoman Turks, then the colonizers of Europe and finally, in Arab eyes, the United States and its Zionist ally dominated and manipulated their world.

Both men embraced the doctrine of an Arab renaissance to throw off that heritage. Both sought to pose as champions of a militant Arab nationalism, ready to trample fellow Arab leaders standing in their way. Both invoked a kind of bargain basement populism to excite their followers, Nasser railing against Egypt's monied classes, Saddam against the Gulf's oil-rich sheikhs.

More important, each man can be seen to a large degree as a creature of the emotions engendered in the Arab world by the Palestinians' loss of their homeland to the Israelis in 1947 and 1948. Those have been Palestinians, not Iraqis, we have seen brandishing Saddam Hussein's portrait on our television screens. Nasser, initially indifferent to the plight of the Palestinians, came to see their cause as the perfect vehicle to further his own ambitions when those ambitions vaulted past Egypt's borders to pan-Arabism.

Both men were born gamblers. And both came to be infected by a virus common to dictators. They allowed themselves to become enfevered by the admiration and adulation of their courts, by the systematic overstatement of their triumphs and achievements in their controlled presses. Fatal miscalculations come easily to such men.

Nasser made two in the spring of 1967. He invited Secretary-General U Thant to withdraw the UN peacekeeping force that separated his forces from Israel's in the Sinai, assuming that U Thant would do so only after a protracted UN debate. To his horror, the secretary-general obliged him instantly. Next, although Israel had declared it would regard the closing of its outlet to the sea via the Gulf of Aqaba and the Red Sea as a casus belli, Nasser announced that he was going to close that passage by mining the Strait of Tiran. To this day there is no convincing evidence that so much as a single mine ever went bobbing into the strait. Nasser was bluffing. No matter. He failed to understand that a nation of 2 million people with its back to the sea and its largely indefensible borders lined with enemies was not going to play poker with its national security.

Saddam Hussein has already made one grievous miscalculation. He vastly underestimated the outrage that his invasion of Kuwait would provoke in the world community. And by employing innocent people as screens to dissuade an attack on his vital installations, by flouting international law in his treatment of foreign embassies in Kuwait, he has skated dangerously close to another one. The United States and the international community may not have drawn a line in the desert sands as clearly visible as that drawn by Israel in 1967, but a line is there.

The world community, which stands so united in this crisis, must draw at least one lesson from it. The time has come for that same community to address the festering Palestinian problem with a cohesiveness and resolve similar to that engendered by Iraq's seizure of Kuwait. If we do not, we will find ourselves in five years, in 10 years, in another crisis provoked by oil, by conquest, by a power-mad dictator using the miseries of those little-loved and little-understood people, the Palestinians, to further his ambitions.

But Saddam Hussein and those Palestinians who exhort him to battle as a new Saladin would do well to meditate upon one salient lesson from the past. From their refugee camps in the Gaza Strip, Lebanon and Jordan, their fathers and brothers once urged Saladin's mantle on Gamal Abdel Nasser. He listened to their intoxicating siren song. The consequence was the most staggering defeat in the long and turbulent history of the Arab people.

The writer was for five years a correspondent in the Middle East for Newsweek and United Press International and is co-author of "O Jerusalem" and "The Fifth Horseman," both of which deal with the problems of the area. He contributed this comment to the International Herald Tribune.

Saddam's Prisoners Cannot Be the Decisive Issue

By Marie-France Garaud

PARIS — Saddam Hussein has elevated hostage blackmail from the artisanal level at which it has long been practiced in the Middle East to an instrument of major government policy to support his military action in Kuwait.

He has observed in Lebanon and elsewhere the tremendous influence that threats to a relatively few hostages, held by groups acting on their own behalf, can have on Western democratic governments. Western democracies have frequently succumbed to paying ransom in exchange for the release of their citizens. Some have even been obsequious to the point of thanking publicly the middlemen accessory to such transactions.

In accordance with his purpose, Saddam Hussein has adjusted the number of hostages. And he has used the media to soften up Western governments, harnessing world television to the exploitation of the misery that the fate of these hostages could bring to their families.

Western leaders must now consider how those held by Saddam Hussein can be saved. Public opinion is so focused on their fate that the invasion of Kuwait and the threat to Saudi Arabia, as well as to stability throughout the Middle East and the world, are beginning to be obscured.

Saddam Hussein is a cunning and dangerous man. His objectives are to hold on to Kuwait with all its wealth, and to keep his military forces, chemical arms and nuclear potential intact. He also wants to achieve his dreams of leading the Arab people in the destruction of Israel.

If, at a critical moment, negotiators or intermediaries (such as the United Nations secretary-general or Arab leaders) should announce that Saddam Hussein would release all of the hostages forthwith, and that an international conference would be convened to consider the Kuwait problem, including the elaboration of a program for gradual withdrawal by Iraqi military forces, this would prevent any U.S. military intervention, and Saddam Hussein would have won. That is what President George Bush must avoid.

Mr. Bush's response to the gross violation of the independence of Kuwait has been clear and positive. The United States has stood up against this violation of international law in a region where, after setbacks in Iran and Lebanon, its determination could all too easily have been open to question.

Even before the Security Council vote, American forces were converging on the Gulf, showing that the United States would not tolerate such action endangering stability in the Middle East, with the possibility of the emergence of a nuclear power in the near future.

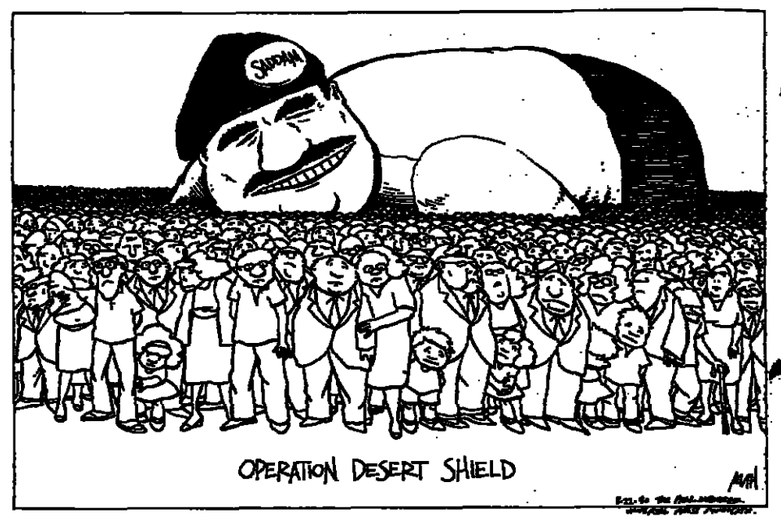
Public opinion applauded the initial clarity of the United Nations' condemnation of Iraq. It is clear, however, that the unanimity achieved by the Security Council conceals serious political ambiguities. The Soviets, in particular, would like to see a gradual American withdrawal from the Middle East, just as they would have liked the Americans to disengage from Europe. The increasingly ambiguous position of Moscow in the Iraq affair may tell us something about Soviet intentions and methods. In the future, the Soviets will make increasing use of international bodies.

When vital national issues arise, international organizations must not make states forget the importance of their own alliances. The union of Western democracies must not be questioned. Any legal or diplomatic actions that could weaken this union could have untold consequences for the future.

If the democracies fail to defend their common strategic and political interests, then Saddam Hussein will have won. If the democracies refuse to compromise, he will have lost.

While our hearts go out to all the hostages, I do not believe that peace with honor can be achieved with Saddam Hussein through weakness.

The writer is president of the Institut International de Géopolitique. She contributed this comment to the International Herald Tribune.



Even Poison Gas Couldn't Stop the American Tilt to Baghdad

By Lally Weymouth

WASHINGTON — It is not an intelligence failure but a misguided policy that has left George Bush with limited options in the Gulf crisis. Obsessed by the danger posed to the Gulf and to the oil supply by the late Ayatollah Ruhollah Khomeini, the U.S. government sided with Iraq during most of the eight-year Gulf War. This may have been appropriate for a limited period, but U.S. policymakers went overboard and helped secure an Iraqi victory while failing to anticipate the dangers that a victorious Saddam Hussein might pose to U.S. interests in the region.

The decision to favor Iraq was made in the early '80s, after the seizure by the Tehran government of American hostages. As Iran began to roll up impressive victories over Iraq in late 1981 and early 1982, the Gulf states panicked. A senior State Department official recalls "a decision ... to prevent an Iranian victory." That was "when we started to provide intelligence, to deny things to Iran and to tilt. We chose the lesser of two evils for U.S. policy interests."

One of the first results of the tilt was that the administration, in 1982, took Iraq off the international terrorism list. Iraq had earned this new status, U.S. policymakers argued, by kicking the arch-terrorist Abu Nidal out of Baghdad, his longtime home.

The following year, Saddam Hussein's image was further enhanced by a statement he made on Israel to Representative Stephen Solarz, Democrat of New York: "The simultaneous existence of an independent Palestinian state acceptable to the Palestinians and the existence of a secure state for the Israelis are both necessary." U.S. officials saw this as a significant softening of Saddam Hussein's position, a signal that he had separated himself from the rejectionist line of Syrian President Hafez Assad.

A key part of the tilt toward Iraq was Operation Staunch, launched in 1983 and designed to persuade other countries to cut off the flow of weapons to Iran. According to testimony on the Iran-contra affair, more than 400 cables were sent from 1984 to 1987, urging compliance with Operation Staunch. As that operation was preventing weapons from reaching Iran, the United States allowed strategic weapons to be purchased by Iraq.

By the end of 1984, Iraq and the United States had resumed full diplomatic relations. (Relations had been broken off by Iraq in 1967.) This unleashed a flow of credits and loans from U.S. government institutions, amounting today, according to a Treasury Department official, to a U.S. exposure in Iraq of $2.24 billion.

Chemical weapons were the key factor in turning the war in Iraq's favor in 1987 and early 1988, when, as one U.S. official put it, Iraq was on the ropes. Its use of chemical weapons on the battlefield had begun as early as 1983. Washington chose to overlook this outrage.

The final American contribution to Iraq's victory was the reflagging and escorting of Kuwaiti ships, which resulted in the blockade of arms shipments meant for Iran and also made it impossible for Iran to attack Iraq's military supply route through Kuwait.

As early as 1985, a CIA analyst, Graham Fuller, wrote a memo arguing that the Soviets could take advantage of unmitigated U.S. hostility toward Iran. Iran, he noted, was still a strategic prize. Mr. Fuller, moreover, was skeptical of Saddam Hussein's alleged change of heart. He saw no changes in Iraqi domestic policy, and he called for a policy review. But the review rejected major policy changes, especially the idea of an opening to Iran, a notion that Israel was promoting.

This memo is often cited as the beginning — or ideological legitimation — of the Iran-contra scheme. A small band of Reagan administration officials who did not agree with the tilt to Iraq and believed in pursuing an opening toward Iran began an effort to trade arms for hostages. When their dealings were exposed, the consequence was an even stronger tilt toward Baghdad.

Iraq also meant big business. The Commerce and Agriculture Departments actively promoted U.S. exports to Iraq, while the Defense Technology Security Administration, a section of the Defense Department headed by then Deputy Undersecretary Stephen Bryen, fought an unpopular rearguard action to prevent the export of U.S. products that could be used by the Iraqis for military purposes.

For a year and a half, Mr. Bryen battled Commerce and State over the proposed sale of an advanced computer. He contended it was ordered by the Iraqis to make their long-range missiles more accurate. The sale did not go through. A second fight took place in June 1988 when the Iraqis wanted to buy from half a million to a million auto-injectors designed to protect soldiers from the effects of nerve gas. This sale, too, failed to go through, although only after a bitter battle within the administration.

This year the Iraqis sought to buy three or four specialized furnaces, which the manufacturer concedes can have nuclear applications. In the end, the Defense Department ordered customs to seize a shipment of the furnaces and the White House stopped the sale.

When the Gulf War was over, Saddam Hussein did not turn his attention to rebuilding his country. He began shipping arms to radical Christian forces in Lebanon to cause trouble for his old Syrian enemies. And he continued to build up his strategic forces.

Nor did the end of the war mean that he ceased using nerve gas. Congressional action was prompted in Washington by the discovery in 1988 that the Iraqis had slaughtered upwards of 10,000 Kurds with poison gas. Senators led by Claiborne Pell, Democrat of Rhode Island, and Jesse Helms, Republican of North Carolina, tried to impose sanctions on Iraq. The Reagan administration, unwilling to offend the Iraqi dictator, managed to kill the bill in the House.

The following year, Mr. Helms and Mr. Pell introduced new legislation imposing sanctions on any companies involved in the manufacture or transfer of biological and chemical agents to Iraq and certain other outlaw states. This bill, too, was opposed by the administration.

Only a few days before Iraq invaded Kuwait, Senators Alfonse D'Amato, Republican of New York, and Mr. Pell introduced legislation to cut off any further U.S. financial credits or assistance to Iraq. Due to Bush administration opposition, the legislation was so watered down in the House as to render it meaningless.

Perhaps the administration should have listened to Senator Daniel Patrick Moynihan, Democrat of New York, who explained to Assistant Secretary of State John Kelly that "the idea of international law got lost in the fog of the Cold War," whereas the use of poison gas in World War I had been "a shock to mankind." Mr. Moynihan added: "The whole world came together in Geneva in 1925 and said never again will poison gas be used. Never ... and we solemnly undertook never to use it again, with the absolute presumption that the first nation that did would be punished."

But after systematically violating the Geneva convention, Saddam Hussein received more arms and more aid.

The Washington Post.

Wasn't It U.S. Policy to Protect Kuwait?

By Amitav Acharya

SINGAPORE — One puzzling aspect of the Gulf crisis is America's failure to react swiftly to indications of a major Iraqi military buildup on the border with Kuwait.

It is true that the first phase of the Iraqi buildup was an ambiguous sign of the final attack. President Saddam Hussein's motives before the invasion appeared to be financial rather than geopolitical. By flexing Iraqi military muscle, he might have been seeking to force Kuwait to forgive wartime debts.

But U.S. military strategy in the Gulf was meant to be able to respond to situations in which warning signals were ambiguous.

Stung by American inability to prevent the downfall of the shah in Iran and deter the Soviet invasion of Afghanistan in 1979, Presidents Jimmy Carter and Ronald Reagan fashioned a new military strategy to replace the Nixon-Kissinger policy of relying on the shah as the region's policeman. The new strategy put a premium on preemptive action to deter developments that threatened U.S. interests.

Outlining the strategy, Harold Brown, defense secretary in the Carter administration, said in 1980 that what was important was the ability to move forces rapidly into the region "with the numbers, mobility and firepower to preclude initial adversary forces from reaching vital points."

It was not necessary, Mr. Brown said, for the first American units to be able to defeat the whole force an enemy might eventually have in place. Nor was it necessary to "await the firing of the first shot or the prior arrival of hostile forces — many of our forces can be moved upon strategic warning and upon receipt of even very early and ambiguous indication."

Planning first focused on a worst-case scenario, defined by the Pentagon as a massive Soviet attack on Iran. But the policy was revised by President Reagan, who declared that Washington would not allow Saudi Arabia "to be another Iran." He expanded the scope of U.S. commitments to include response to threats to the survival of Gulf states friendly to the West.

Kuwait was clearly a moderate state whose security and survival was indivisible from those of Saudi Arabia and other small Gulf states. Their collective insecurity was reflected in the decision to form the Gulf Cooperation Council under Saudi leadership.

Why was U.S. preemptive strategy not put into effect once intelligence agencies had gathered unmistakable evidence of Iraqi forces massing on the Kuwaiti border? The Gulf crisis might have been forestalled had Washington deployed a brigade of airborne troops and tactical aircraft in Kuwait as soon as the Iraqi troop concentration was confirmed. By raising the prospect of direct confrontation with the United States, Mr. Bush could have deterred the Iraqi blitzkrieg.

The United States, which took over from Britain as chief protector of conservative Gulf states, might have learned a lesson from earlier British action. In 1961, when Iraq threatened to annex Kuwait by force, Britain swiftly sent troops to the sheikhdom, and Baghdad pulled back.

There are a number of possible explanations for U.S. inaction. One is that Washington allowed Kuwait to fall because it would then be able to exploit Saudi Arabian security concerns to establish a permanent Western foothold in the Gulf, site of half the world's proven oil reserves. Another is that the U.S. commitment to the security of Kuwait was less firm than its commitment to Saudi Arabia, although this ignores the fact that the security of both was indivisible.

A third possibility is that with the receding Soviet threat and the cease-fire in the Iran-Iraq war, the contingency plans of the U.S. Central Command had been gathering dust and could not be activated quickly.

U.S. intelligence may also have failed. However, the Bush administration has confirmed that the CIA provided American decision makers with timely information on the Iraqi buildup. So the blame must lie with those charged with interpreting the warning signals and giving the appropriate response. This is where Mr. Bush's handling of the Gulf crisis is vulnerable.

The invasion of Kuwait is not only the first real test of the post-shah U.S. strategy for the Gulf. It is also the first major conflict of the post-Cold War era. U.S. failure to promptly come to the rescue of Kuwait and deny Iraq a fait accompli will unsettle Third World states in Asia and elsewhere that still count on American protection as the ultimate guarantee of their security and survival in the uncertain strategic climate of an increasingly multipolar world.

The writer, who teaches international relations at the National University of Singapore, is the author of "U.S. Military Strategy in the Gulf: Origins and Evolution under the Carter and Reagan Administrations." He contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1890: 'A Wall of Mist'

BERLIN — Prince Bismarck, who will stay in Kissingen till the end of this month and then go to his Pomeranian estate, and after a few weeks there will return for the winter to Friedrichsruh, said of mediation between labor and capital: "Not in a Monarchy. A Monarchy gives itself up when it tries to lean on the working masses. We must not parley with those who seek to exercise pressure by threatening to stop working. That is like a wall of mist. When you approach it it recedes and you find yourself grasping at empty space."

1915: A German Crisis

NEW YORK — A cablegram from Berlin says the real crisis over the sinking of the Arabic is in Germany, not in America. Chancellor von Bethmann-Hollweg and Foreign Secretary von Jagow, anxious to settle the American difficulties, are bitterly opposed by the Admiralty, which favors a continuance of submarine warfare. The Chancellor insists that Germany must observe international law, warn enemy ships and safeguard life. The decision is in the hands of the Emperor. If he favors Herr von Jagow and Herr von Bethmann-Hollweg, Admiral von Tirpitz will have to go.

1940: Stealthy Bombers

BERLIN — A secret type of varnish which makes British bombers invisible under the glare of searchlights has made it impossible for German anti-aircraft gunners to turn their fire on enemy raiders attacking Berlin, Nazi airforce officials said today [Aug. 30]. The British bombers, such as those which attacked the capital for nearly three hours early yesterday, were said to have been completely invisible. The varnish was said to be painted on the underside of the British bombers, and was called a secret which the British alone possessed.

— From the New York edition of the New York Herald Tribune.

OPINION

Their Blow-Dried Prattle Skips the Good Questions

By Richard Harwood

WASHINGTON — The United States has not embarked on a military adventure in the Middle East to make the world safe for the commercial interests of ABC, NBC, CBS and CNN. But these great corporations are not reluctant to exploit the situation in their private wars for audience, advertisers and profits.

Dan Rather, outfitted for safari and armed with a multimillion-dollar expense account, flits from one desert capital to another in search of scoops

What the people require on the eve of war is not television anchors flitting here and there or ratings races. Good reporting will do.

and rating points. On a similar mission, Sam Donaldson, blow-dried and righteous, broadcasts from the Saudi Arabian wastes, dissatisfied as always — as he tells us on camera — with the niggling restrictions under which he must labor. Other luminaries from the network news departments — Tom Brokaw, Ted Koppel, Bryant Gumbel — have made the Gulf pilgrimage, either as a show of initiative or out of competitive necessity.

Their journalistic and academic credentials in Middle Eastern affairs and in desert warfare range from modest to nonexistent. But they are the celebrities and showmen around whom the networks build their news operations and on whom they depend to attract the vast audiences that attract the advertisers and their dollars.

It is possible that the public is unaware of the commercial burdens these men and women bear and is largely unaware, too, of the self-imposed handicaps under which the network news organizations function. Jonathan Alter of Newsweek got it right: "Instead of investing in long-term coverage of a region," the networks "all but ignore whole areas of the world until a crisis erupts. Then they parachute in the big-name talent."

Mr. Alter referred to another network difficulty: "The real problem with the Gulf story is that the pictures stink. A little 'bang bang,' to use the industry vernacular, would change that in a hurry — assuming, of course, anyone would be allowed to cover it."

"Bang-bang," we should all understand, is not a children's game; it is one of the "media" euphemisms for war, an activity in which the deliberate mutilation and death of hundreds or thousands or millions of people is a necessary by-product.

It fascinates distant spectators. It makes for "terrific television" and it sells, as the commercial success of the literature and films of war and of fictional violence has demonstrated through much of America's history. That is one reason pressures are being exerted on American and Saudi authorities to ensure, as a reporter put it to President George Bush the other day, "that Americans will have free, complete and open press coverage of their young men and women abroad."

The fact that professional fame and fortune may flow from wars and disasters is not a 20th century discovery. During and after the great Civil War battles, newspaper sales soared by the hundreds of thousands; hawkers worked the battlefields peddling extras to the troops. William Randolph Hearst claimed credit for the Spanish-American War, which boosted the circulation of his New York Journal to more than a million copies a day.

In each subsequent war, newspapers and magazines that had never invested a dime in international coverage now clamored to send reporters overseas with "the boys" to satisfy appetites for news. We are seeing that today. And now with television and satellite relays it is technically possible to get war "live" with the evening meal, to glimpse those arms and legs flying, to witness the dying agony of 18- and 19-year-old boys.

What the people require on the eve of war and in wartime itself is not television anchors flitting here and there or ratings races or even "bang-bang" film. Good reporting will do.

Are American forces as incompetent as the "media" informed us in the aftermath of Grenada? Is the United States — as the Israelis are reputed to be — ready to use nuclear weapons? Are the Iraqis capable of effective chemical warfare? Can air power defeat armor and infantry? Should America, as Israelis and their doctrinal allies in America insist, use this opportunity, all else aside, to destroy Iraq's military and industrial base? What, specifically, are the reluctant industrial democracies — Japan and Germany included — prepared to contribute financially or militarily to this uncertain enterprise? What economic shocks lie ahead?

More attention to such questions will not flatter the rating charts or sell newspapers, but it might focus minds, clear heads and better prepare a self-indulgent society for what lies ahead.

The Washington Post.

Lights On: The Ghost in the New Japan's Closet Isn't There

By Patrick L. Smith

TOKYO — Not long ago a friend in Santa Monica sent me a newspaper piece that Shintaro Ishihara had just published in the United States. It was another airing of the now predictable views advanced by the neo-nationalist author of "The Japan That Can Say No." What interested me more was the attached note: "By the way, I've just read a bootleg copy of Ishihara's book. I found it biased and, indeed, virulent."

My crony at the Rand Corporation is a thoughtful analyst, with a tour as a Washington policy planner behind him. But his choice of adjectives, so suggestive of irrationality and danger, begged the most important questions now lying between the United States and Japan:

How long will Americans insist on a Japan that can only say yes? Are America and its Pacific allies, Japan's nervous neighbors, prepared to acknowledge that Japan does not enjoy the rights of an independent nation — and then to encourage it to assume them?

There is no better time to engage these questions. As Tokyo stammers to enunciate a coherent response to Iraq's invasion of Kuwait, the true extent to which both Japan and the United States have outgrown postwar arrangements should be clear to anyone who bothers to look.

Even in pirated translations, Mr. Ishihara's book sent shock waves through Washington, deepening the worst rift in the Japan crowd there since the United States reinvented this nation 45 years ago. The Pentagon has summarized it, Congress has read it into the record — all as if this were a document so astonishing that its existence might otherwise be doubted.

No one need worry. Mr. Ishihara recently found a U.S. publisher for his book — and he came out with a sequel to it here in May: "Still the Japan That Can Say No," co-authored with two prominent scholars. The sequel sold 300,000 copies in its first week.

What Americans need to do is ask why we are so surprised at any of this. We need to recognize these books as highly important. But they are only of value if we read them seriously.

I admit to surprise that Akio Morita, the worldly chairman of Sony Corporation, agreed to co-author volume one. But Mr. Morita's signature only underscores how widely held, if usually unclaimed, such views really are.

Stripped of bluster, the basic arguments are that Tokyo now has the right to address Washington as an equal, that Japan should recognize its destiny as an Asian power — that Japan should, in short, reclaim the sovereignty of which it has been deprived since the war.

"We Japanese now face choices on whether we can boldly proceed or stand back quietly," Mr. Ishihara writes. "The dregs of the postwar period are too prominent in the consciousness of Japanese."

I see no bias or virulence in this. I see clear thinking on a subject that this nation has chosen, at great price, to seal up and store next to the fog machine it switched on once the conservative elite determined the postwar order under American tutelage.

Here is the first of two confessions contained in this essay of mine: The most interesting conversations I have had since arriving in Japan three years ago have been with the right-wing nationalists, those aging, outspoken few whom everyone is supposed to dislike, and of whom Mr. Ishihara is a modern political heir.

The graying old war-horses have chosen their battle tactics with egregious judgment: the denials of plain fact, the

MEANWHILE

public subsidies for Shinto ritual, the textbook censorship wars, the ostentatious visits to Yasukuni Shrine. But they are the only ones who ask the pithy questions. When do we get our sovereignty back? When do we cash in the constitution written by the Americans, in which we are forbidden to arm ourselves, for one we write in our own language?

To mention constitutional reform in polite company here is usually taken as either a calculated affront or a macabre breach of manners. Three years ago I did so at a lunch with a high Foreign Ministry official and a well-known correspondent. When the official excused himself briefly, my colleague whispered, "It's not a matter we raise here."

I stared at my plate, finished my *tempura* in silence and went home to consider the hidden complexities of it all. My conclusion is that there are few.

The above-noted are still the best questions a Japanese can ask.

Confession No. 2: While it is not my intention to take political sides, in my view discussions on the revision of the Japanese constitution, including the no-war Article 9, should be opened as soon as is practically possible.

I am either reckless or a rightist myself, many will say. Neither. I view such a step as the only way for Japan to escape the neurosis of history that has kept it one step out of the power loop and another from the postwar political mainstream.

It is also the only way Japan will ever be capable of assuming the responsibilities the world now urges upon it almost in unison. Is Tokyo's grudging conformity to sanctions against Iraq unrelated to the absence of Japanese troops in the multinational force assembling on the Saudi border with Kuwait?

Most residents of the world's third most expensively armed country remain mesmerized by their "peace constitution." the embodiment of a dream that this nation would be of a new type on the planet, an unarmed evangelist for diplomacy and reason. If the notion were ever alive, it is no longer.

The sadly obscured irony is that such orthodoxy is the only shield behind which the old militarists can continue to haunt the collective memory at home as well as in the rest of the region. Push their ideas into the light and air of national debate and they will disintegrate like mummified remains once unwound.

The world order has changed too dramatically for the threat of revived militarism to stand up to scrutiny. Democracy is strengthening in Japan, and the nation's interests are widely at variance with those of the wartime dictatorship.

The costs of dependence are clear enough. Petty corruption and pork-barreling dominate the political culture; among the policy planners there is neither depth nor creativity nor imagination. Why is the Foreign Ministry the weakest of Tokyo's bureaucracies? Because it has spent too much time running notes back and forth to Washington during the past 45 years.

There is no indication that many Japanese officials are eager to change any of this. And there are many signs that they are daunted by the prospect of making decisions for their country. That is clearly apparent now, as Tokyo grapples with the Gulf crisis.

But the benefits of national redefinition would be legion. How long can the world's wealthiest state continue to excuse itself from multilateral security efforts such as the one now in the Gulf? Required to answer for itself and suffer the consequences, Japan would no doubt display a greater sense of international responsibility in such matters as trade and the environment. Its psychologically fraught relations with the rest of Asia would suddenly have more to do with the future than with the past.

At home, needless to say, the people who support and operate right-wing sound trucks would be shown for what they are — not the tip of some frightening force, but an occasionally violent and essentially sad minority trying to reclaim a past that was never the way they imagine it was. I cannot help thinking that the powerful impulse to control so many aspects of daily life, which sometimes gives Japan the air of a police state, would fade along with them.

Milton wrote long ago, in protest against people who invoked religious morals to justify the censorship of public expression, "I cannot praise such fugitive and cloistered virtue." Who can praise a nation that is only allowed to say yes? And who can trust a nation that does not trust itself?

International Herald Tribune.

THE following are excerpts from "Still the Japan That Can Say No," by Shintaro Ishihara, Shoichi Watanabe and Kazuhisa Ogawa, as translated for the International Herald Tribune by Kay Itoi.

On the postwar constitution:

The principal reason we feel odd about the constitution is that the original was written in English. In Japanese the text sounds like a translation. Some parts of Article 12, on freedoms and rights, sound too much like Jefferson. I think we should rewrite the constitution in Japanese in order to make clear our psychological independence as a nation ...

The independence of a nation and a people can be judged by whether they have the power and the spirit to defend themselves. In that sense, we are not fully confident about our independence, and the current constitution, forced on us by the United States, is the reason for the troubled character of the Japanese. If asked what in the constitution should be revised, I should say everything.

On Japanese sovereignty:

I cannot help thinking that because Japan lost the war, it has given up its national identity and national pride for nearly half a century. I feel that the yen's sudden depreciation earlier this year proves that. But the symbolic thing is American behavior, as if they have extraterritorial rights in Japan.

On the U.S.-Japan security treaty:

A normal security structure, which is the basis for successful diplomacy, does not exist in Japan. Such a structure is like a three-story house, consisting of trust among neighboring nations, a well-organized defense and the ability to choose and maintain appropriate alliances. Because we do not have this, Japan cannot bring its diplomatic power into full play and has gained no international confidence. Economic achievements are of no use. The U.S.-Japan security treaty is the essential element to be considered. If we do not recognize this, Japan may not even be complete as an economic power.

LETTERS TO THE EDITOR

The Treaty Is Effective

I disagree with Paul L. Leventhal's critical assessment of the Nuclear Nonproliferation Treaty, which is now under review in Geneva. (*"The Nonproliferation Treaty Doesn't Work," Aug. 21.*)

The treaty has proved to be the most successful multilateral arms control agreement ever concluded. It has attracted a record number of adherents — more than 140. This includes the United States, the Soviet Union and Britain, as well as almost all the highly developed and militarily significant nonnuclear-weapon states. There are indications that China and France may soon accede. No violations of the treaty have been recorded since its entry into force in 1970, and no state has notified its withdrawal.

The treaty could be strengthened, of course, if the holdouts were persuaded to join it, and if the safeguards applied by the International Atomic Energy Agency were supplemented with arrangements for mandatory on-site inspection by challenge of both declared and undeclared facilities. Recommendations to this effect may be made by the ongoing review conference, which is expected to reaffirm the validity of and support for the Nonproliferation Treaty.

JOZEF GOLDBLAT.
Geneva.

Rules of War: A Reminder

An excellent international jurist, Professor J. Kunz, wrote in 1936 that everything was prepared for war except the law of war. This situation has greatly improved. Nevertheless, we are threatened with a war that would bring unpredictable consequences for the entire international community.

The terrible experience of World War II motivated the codification of humanitarian law in the four Geneva conventions of 1949, supplemented by two protocols in 1977. The Geneva humanitarian rules establish a minimum of standards to be respected by parties to armed conflicts. The protocols greatly expanded humanitarian protection to civilian populations. These rules represent a *jus cogens* for the international community, and violations of them are considered to be war crimes.

These rules should be disseminated as widely as possible in time of peace as well as in time of war. The contracting parties should include them in their programs of military instruction and foster consciousness of them by civilian populations.

There are other important international instruments that are part of the corpus of humanitarian law, such as the Hague conventions of 1907 and the Geneva protocol of 1925, which outlaws the use of chemical weapons. In time of armed conflict, military and civilian authorities assume responsibilities for the application of these international instruments. We very much hope that they are fully acquainted with these humanitarian rules and considerations, and fully aware of the gravity under international law of failure to respect and apply them.

JOVICA PATRNOGIC,
President,
International Institute of
Humanitarian Law.
San Remo, Italy.

GENERAL NEWS

Mozambique Now Tilts to Democracy

By Jane Perlez
New York Times Service

XAI-XAI, Mozambique — Mozambique, once a loyal follower of the Marxist-Leninist line, has gone as far and perhaps further than any sub-Saharan African country on the path toward multiparty democracy.

To emphasize the metamorphosis from a socialist one-party state, the government has announced that the country's name is to change, dropping the Moscow-inspired "People's" that stood before "Republic of Mozambique." A new political anthem is on the way, and multiparty elections are scheduled for next year.

And results of the changes are visible in the increasing commerce in Xai-Xai, a provincial capital 320 kilometers (200 miles) from the capital, Maputo, and one of the most prosperous towns in Mozambique.

President Joaquim Chissano has made it clear that moves toward democratization are part of a strategy to end the 14-year civil war that has ruined this southern African nation, sent 1.5 million Mozambicans to seek refuge in neighboring countries and left 5 million more in this nation of about 15 million dependent on international food aid doled out in camps.

Mozambique, a former Portuguese colony, won independence in 1975 after more than 10 years of fighting by nationalist groups.

But opposition guerrillas of the Mozambique National Resistance, commonly known as Renamo, have fought hard against the government.

For nearly a year now Renamo, a notoriously brutal group previously not known for political demands, has been emphasizing multiple parties as a necessary element of the settlement.

The Central Committee of Mr. Chissano's Mozambique Liberation Front — referred to as Frelimo — held a meeting that ended Aug. 16 with an endorsement of specific rules for multiparty elections for 1991.

The government and the rebels held two rounds of peace talks in July and August.

The first was described in a joint statement as being especially cordial. Mr. Chissano complained after the second session that Renamo was demanding mediators rather than observers, but diplomats and other officials said the talks seemed promising.

Both sides have been nudged toward the peace table by regional and international events.

Early this year, the Soviet Union pulled out most of its military advisers to the Mozambican government, resulting in diminished war supplies.

While Western countries have been sympathetic to Mr. Chissano in the last several years, pumping humanitarian and economic aid into Mozambique, international aid flagged this year in the face of the protracted war and rising corruption in the delivery of food.

"Chissano sees that aid will continue to dry up until the war stops," said a senior U.S. official.

Even so, pleased with Mr. Chissano's political and economic changes and in response to the grave food needs of peasants dislocated by the war, Washington is sending $103 million in humanitarian, economic and regional aid to Mozambique this year, the biggest package being sent to any sub-Saharan country.

On the Renamo side, military help from South Africa seems to have all but stopped.

Mr. Chissano, who has twice welcomed the South African president, Frederik W. de Klerk, to Mozambique, has said he believed Pretoria was no longer supplying the rebels. He added that freelance help was still coming across the border.

The South African government, which until the late 1980s was intent on destabilizing Mozambique, is now eager — because of the country's economic potential to South Africa — to help rebuild it.

Ending the war, which has largely been reduced to thuggery and looting by both the army and the rebels, seems much farther off than the already tangible political and economic moves.

"Let's say the fact the peace negotiations are going on has given the opening of the political process and the economy more urgency," said the U.S. ambassador, Melissa Wells. "A much more difficult issue is how to end the violence, especially with the uncontrolled elements."

Sri Lankans Kill 34 Tamil Rebels

COLOMBO — Troops and helicopter gunships killed 34 Tamil rebels in the east, while government troops in the north inched forward along a heavily mined causeway toward the rebel-besieged Jaffna Fort, officials said Wednesday.

By the eighth day of a government offensive against the Tamil guerrillas, the army was about two-thirds of a mile from the fort, where 250 soldiers and police have been surrounded by rebels for 10 weeks, the military officials said.

They said progress had been slow because the guerrillas had blown up three culverts on the causeway leading across Jaffna lagoon to the star-shaped fort, located on the northern tip of Sri Lanka.

In the east, fighting was reported in several areas as the rebels pressed their 7-year campaign to carve a Tamil state out of the predominantly Sinhalese nation.

Bombing raids are continuing all over the Jaffna Peninsula, in what the guerrillas of the Liberation Tigers of Tamil Eelam describe as a final battle for the autonomous homeland they hope to establish.

More than 600,000 Sri Lankans have been made "homeless since June when fighting resumed unexpectedly.

Food shortages are becoming acute in Sri Lanka among the refugees, not all of whom are in camps.

Many undernourished children are reported to be ill with dysentery and cholera.

The United States has contributed about $20 million in emergency food aid.

International relief organizations are operating in some camps, but the task is immense.

Tamil organizations assert that much of the aid is going to ethnic Sinhalese refugees, not to Tamils.

The Sri Lankan Army, which often escorts emergency supply vehicles, is composed almost entirely of Sinhalese, the national majority.

Almost no assistance seems to be reaching Muslim refugees, a minority that has been under attack by Tamil militants on the east coast.

(AP, NYT)

U.S. Rights Panel Cites 'Systematic' Abuses by Zaire

New York Times Service

WASHINGTON — A report by the Lawyers Committee for Human Rights asserts that the government of Zaire has engaged in a "systematic pattern of abuses" that includes arbitrary arrests and beatings, banishment of political opponents and severe restrictions on freedoms of speech and the press.

The report, "Zaire: Repression as Policy," comes amid statements by President Mobutu Sese Seko that he intends to liberalize the political system and move Zaire toward free elections.

In April, Mr. Mobutu announced an end to one-party rule and the sanctioning of three opposition parties. But the New York-based committee, an independent group monitoring human rights worldwide, said that a month later security forces, in response to a series of protests, attacked and killed at least 12 students at the University of Lubumbashi.

The report said that "despite almost annual pronouncements of reforms since 1978, the judiciary has not prevented or punished arbitrary arrest and detention."

A Reversal: Aquino Asks Talks With Rebels

The Associated Press

MANILA — President Corazon C. Aquino reversed long-standing policy Wednesday by saying she was willing to negotiate cease-fires with Communist guerrillas and former soldiers who have staged coup attempts.

She invited the opposition to join the talks, including her most outspoken critic, Senator Juan Ponce Enrile.

Manila has recently been rocked by almost daily explosions. Although no one has claimed responsibility, the government has blamed them on former soldiers who have repeatedly tried to topple Mrs. Aquino.

Communist rebels have waged a 21-year rebellion to establish a Marxist state. The last cease-fire collapsed in 1987.

Senator Wigberto Tanada called for a government-rebels truce after an earthquake on July 16, but Mrs. Aquino rejected the idea. On Tuesday, a pro-Aquino senator, Orlando Mercado, urged the president to put aside differences with political foes and address herself to the nation's security problems and economic woes.

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FACE-OFF IN THE GULF: Under pressure from Washington, Tokyo puts together an aid package that seeks a middle way

Target: Arab-Americans

Death Threats in U.S. Increase Since the Iraqi Invasion

By Fox Butterfield
New York Times Service

NEW YORK — Since the Iraqi invasion of Kuwait on Aug. 2, several dozen Arab-Americans have reported death threats or harassing telephone calls in what some term a nationwide wave of anti-Arab sentiment.

Osama Siblani, the publisher of the Detroit-based Sada al Watan, the largest Arabic-language newspaper in the country, received an anonymous call saying that he would be killed if any Americans trapped in Kuwait were harmed.

The call came not long after a Detroit radio station, WDFX, asked listeners to phone in "bad Iraqi jokes," and two jokes that were broadcast "crossed the line," according to Paul Jacobs, the station's vice president and general manager. The station later broadcast an apology.

In the Charlestown section of Boston, Ahmad Taha, a broker, heard a voice outside the front window of his apartment at midnight telling him, "Taha, you move out or you'll die."

The next morning, his landlady told him she had received calls from several neighbors demanding his ouster. Most of them had friends or relatives in the armed forces, she tsaid.

Mr. Taha, 41, a Palestinian who is now a U.S. citizen, moved out immediately. "It was a very, very desperate moment," he said. The incident is under investigation by the Boston police.

Albert Mokhiber, director of legal services for the American Arab Anti-Discrimination Committee, said the group had been receiving reports of three or four threats a day from Arab-Americans since U.S. troops began moving into Saudia Arabia after President Saddam Hussein of Iraq invaded Kuwait. The previous average had been about one call a week, said Mr. Mokhiber, whose grandparents emigrated from Lebanon in the early 1900s.

"We think the calls we are getting are only the tip of the iceberg," he said. "Whenever there is a crisis in the Middle East, there is a backlash against Arab-Americans in the United States. It doesn't matter whether the crisis was initiated by the Israelis, like their invasion of Lebanon; by Arabs, like the Achille Lauro affair, or by the United States, with the bombing of Libya."

The reports of threats were to be discussed Wednesday at a Washington news conference by the nation's largest Arab-American organization. It also planned to announce a signature drive for a petition that its leaders will try to deliver to Mr. Hussein calling for the release of Americans held in Kuwait and Iraq.

The threats are particularly worrisome to the nation's 2.5 million to 3 million Arab-Americans because in 1985, after the hijacking of the cruise ship Achille Lauro by a group of Palestinians, a bomb exploded at the committee's Los Angeles office, killing Alex Odeh, a poet who was the group's regional leader. "After Alex was murdered, every threat is a potential bomb threat," Mr. Mokhiber said.

Mr. Siblani, the publisher of the Detroit paper, who came to the United States from Lebanon in 1976, said the reason for the threats was not so much Mr. Hussein and Iraq as what he called the bigotry of many Americans and the negative images of Arabs projected regularly by movies and the press.

"All the movies and television show Arabs as either terrorists, sheikhs or belly dancers," he said. "We haven't seen one single movie in which Arabs are depicted as real people. The message is always, 'Kill them.'"

Samer Faraj, head of the committee's office in Boston, who also came from Boston, agrees.

"I don't even know what an Arab is anymore," he said. "It is a catchall phrase for a crazy identity where people think you are either a terrorist or a sheikh."

Mr. Faraj added, "There are 22 separate countries in the Arab world, and all of them are very different, but most people just lump them together."

In one of the most serious incidents, an Arab-American businessman in Toledo, Ohio, reported that he had been beaten by members of a supremacist group, the National Association for the Advancement of White People, after he had refused to sell his business in an area scheduled for urban renewal.

The businessman, a Palestinian who emigrated from Jerusalem when he was 4, reported the incident to the anti-discrimination committee but, like several others reporting such episodes, said he had been afraid to go to the police.

In New York on Sunday, Kahlida Khan, a U.S. citizen who was wearing native Pakistani dress, was taunted by a crowd after her car broke down in the borough of Queens.

"'Get out of New York!' This is not your country!'" she said people screamed at her. "I tried to tell them I'm not an Arab, but they couldn't tell the difference."

Wm McNamee/Reuters
Dependents of U.S. Embassy personnel in Kuwait arriving at Andrews Air Force Base, Washington.

Japanese Aid Plan Viewed as Unlikely To Satisfy the U.S.

By Steven R. Weisman
New York Times Service

TOKYO — Japan announced a long-awaited program of financial aid to the international effort against Iraq on Wednesday, but the package drew unusual criticism from U.S. officials for its failure to provide direct tangible assistance to the military buildup in the Gulf.

Among the elements of Japan's package were an unspecified amount of loans and grants to Egypt, Turkey and Jordan; the dispatching of 100 medical specialists to the region, and a pledge to supply refrigeration equipment, water and other goods to help soldiers cope with the desert heat.

Also included was a promise to transport food, water and medical supplies via chartered Japanese civilian aircraft and ships to the Gulf, and to pay for military equipment to be flown to the Gulf aboard aircraft and ships chartered from other countries.

But despite a public campaign from Washington to do more than simply underwrite the military efforts undertaken by others, Prime Minister Toshiki Kaifu said it would violate Japan's constitution for Japan itself to transport any military personnel or equipment to a region of potential combat.

"There are things we can do and cannot do," the prime minister said, adding that the package announced by Japan "represents the maximum extent we can go."

Japan's constitution, written by the United States after World War II, renounces "the threat or use of force as a means of settling international disputes" and has long been cited by Tokyo as a barrier to action, even in using military aircraft to aid earthquake victims in Armenia in 1988.

Mr. Kaifu, looking grim and fatigued at an evening press conference, appeared to be more concerned with Japanese resistance to his package as too radical than with American concerns that it was too modest. He thus appealed to Japanese to abandon their usual aloof approach to world political crises.

"If Japan's response is delayed and the world gets the impression that Japan does nothing for peace in the region, when its own important national interest is at stake, Japan's future will be lost," he declared.

There was no immediate official comment from the United States after Mr. Kaifu announced the package, but American officials earlier made it clear they were "very unhappy," as one put it, with its omission of an indirect or direct Japanese military role.

"If you look at the situation in the Middle East, we judge it to be basically a military situation," said an American official, his voice edged with sarcasm. "There's a limited number of Girl Scout cookies that can be used there."

In another highly unusual move, the U.S. ambassador, Michael H. Armacost, told Japanese editorial writers Tuesday that Americans were feeling "impatience, bewilderment and exasperation" with Japan's delays in announcing its moves in the Gulf, according to an embassy spokesman.

Among the steps called for by Mr. Armacost and other officials were the use of Japanese minesweepers to patrol waters in the Gulf and Japanese ships normally used for transporting automobiles to the United States to be commandeered to send tanks and other equipment to the Middle East.

Aides to Mr. Armacost, who only last week were praising Japan for its swift response in the days after Iraq's invasion of Kuwait, Wednesday had a different tone, saying that Tokyo's inaction would stir resentment in Congress that Japan was not putting itself at risk like other nations.

Last week, Japanese officials indicated that billions of dollars in aid would be forthcoming to countries hit by a loss of revenues because of the cutoff of oil from the Middle East and the loss of revenues from remittances from their nationals working in Gulf oil fields.

But this week, Japan began attaching new conditions to these sums of money.

■ Japanese Flee Kuwait

Japan broke ranks with major Western nations Wednesday and pulled its last diplomats out of Iraqi-occupied Kuwait, although it said its embassy remained open "in principle," Reuters reported from Tokyo.

A Foreign Ministry spokesman said the last two diplomats, the acting ambassador, Akio Shirota, and the second secretary, Koji Naito, went to Baghdad.

He said the two had left because of shortages of food and worsening conditions in the embassy. Electricity, water and telephone services had been cut off since Saturday.

(Reuters, AP)

Briton Suggests a Blockade of Iraqi Airspace if Supply Flights Continue

By Barry James
International Herald Tribune

A senior British military official has raised the possibility of expanding the naval blockade of Iraq into its surrounding airspace if supplies continue to be flown to Baghdad in contravention of the United Nations embargo.

The official, Air Chief Marshal Sir Patrick Hine, the commander-in-chief of the Royal Air Force's Strike Command, suggested earlier this week in Dharan, Saudi Arabia, that the embargo might have to be strengthened by making airspace surrounding Iraq into an exclusion zone.

A spokesman for the Ministry of Defense in London said Britain would have to consider with its allies what measures should be adopted if aircraft fly to Iraq in violation of the trade embargo. But officials said an extension of the blockade into airspace would not be likely without the approval of the UN Security Council.

The United States has already said that it will work with the Security Council to make the embargo as comprehensive as possible.

The United States said last week that Iraq was receiving air deliveries of products used to make chemical weapons and other military matériel, although the White House spokesman declined to say where such deliveries were coming from.

Sources in the Gulf, however, said at that time that Iraqi planes were flying in some supplies from Yemen.

Military experts said it would be more difficult and potentially more dangerous to interdict aircraft than to stop and search ships. A miscalculation might lead to an incident like the shooting-down of an Iranian airliner in July 1988.

"As dangerous as it is to try to blockade ships without using force quickly, it is even more so in the air," said Alan Bloomgarden, an aviation expert at the School of Peace Studies at Bradford University. "It is not very easy to force a plane down without shooting it down."

Such action, he said, could be "extremely escalatory."

"You can board a ship, inspect it and do all kinds of things to stall for time while you get back to your leaders and make a decision," he added. "In the air, the decisions would have to be taken in a split second."

Officials said there was no doubt that the United States possessed sufficient radar capacity to spot and identify all aircraft entering or leaving Iraqi airspace.

They suggested that a less-inflammatory option, if deliveries continue, would be to denounce offending countries for violation of the UN embargo.

One precedent for aerial interdiction was Britain's declaration of an air-and-sea exclusion zone around the Falkland Islands during and after its war in 1982 with Argentina.

For Palestinians, Budding Doubts on Iraq Stance

By Jackson Diehl
Washington Post Service

BETHLEHEM, Israeli-Occupied West Bank — The elation with which Palestinians in the occupied territories greeted Iraq's invasion of Kuwait appears to be increasingly tempered with anxiety over mounting economic costs here and the potentially tragic consequences of a war for the large Palestinian population in the Gulf region.

In the bustling market of Bethlehem, buyers and merchants alike still call President Saddam Hussein of Iraq a hero and rail against the presence of American troops on Arab land.

But in the municipal office overlooking Manger Square, Mayor Elias Freij has become the first prominent Palestinian leader in the West Bank to support the United Nations formula for an unconditional Iraqi withdrawal from Kuwait, saying it is the only way to head off a new disaster for the Palestinians.

"Now we have to be realistic, and the Iraqis have to be realistic too," said Mr. Freij, a moderate who supports the Palestine Liberation Organization but has differed with its leadership in the past. "In order to avoid a catastrophic war, the Iraqi president should notify the secretary-general of the United Nations that he accepts Resolution 660 and will withdraw completely from Kuwait."

Mr. Freij's stand differs sharply from that of the PLO leader, Yasser Arafat, who proposed a peace plan Wednesday under which Iraqi and U.S. forces in the region would both be replaced by UN troops, sanctions against Iraq would be ended and the resolution of Baghdad's claims to Kuwait would be linked to the solution of the Israeli-Palestinian conflict and other regional problems.

Though Mr. Arafat has maintained that the PLO aspires to be a neutral mediator in the crisis, many Western and Arab analysts regard it as an Iraqi ally seeking the most favorable possible outcome for Mr. Hussein.

In an interview Mr. Freij waved away a question on the PLO plan, adding: "The Kuwaiti government should return. Then, after a cooling-off period of six months or so, we can look for an Arab solution to the problems between Iraq and Kuwait."

The mayor's proposal was dismissed by other Palestinian leaders in the West Bank, who said they supported the PLO stance. Still, Mr. Freij's dissent appeared to reflect both growing tension within the Palestinian leadership over its pro-Iraqi tilt and widespread anxiety over the potential cost of that stand.

Though hotly disputing Mr. Freij, several Palestinian leaders said they shared the concerns that the mayor had cited in support of his appeal: that the Palestinian economy in the West Bank and Gaza Strip could be crippled by the crisis and that the up to 1 million Palestinians in the Gulf could be uprooted by a war from their relatively prominent and prosperous place in the region.

"I think we are the worst hit," said Saeb Erakat, a Palestinian intellectual from Jericho and a supporter of the PLO position. "Every time something happens in the Middle East, the Palestinians are made to suffer the most for it. We have been suffering a heavy economic impact, and now the Gulf state leaders are threatening to push us into conflict with them."

A few of the 350,000 Palestinians who lived in Kuwait are already trickling into the West Bank, and Palestinian leaders say they believe that up to 20,000 could arrive in the coming weeks. Some of the refugees complain that they were driven to leave the country by hostility from Kuwaitis.

Mr. Freij said he feared that "if there is a war, the Palestinians in the Gulf will be expelled, because the Gulf states see them as enemies."

"We will lose their incomes," he said, "and they will have no place to live."

He added, "If Iraq withdraws and there is no war, everyone will stay where they are, and eventually feelings in the Gulf against the Palestinians will cool."

The economic effects of the crisis have started to pose a serious threat to Palestinians in the West Bank, already heavily burdened with the costs of the long *intifada*, or uprising, against Israeli rule.

Many Palestinians have seen both their salaries and their savings drop drastically in the last four weeks with the 30 percent plunge in local currency markets of the Jordanian dinar.

At the same time, tens of thousands of Palestinians in the territories as well as institutions like schools and hospitals have been squeezed by the abrupt curtailment of remittances from Kuwait.

According to local economists and diplomats, about $120 million in payments from donors and workers normally flows annually from Kuwait into the West Bank, making up 10 percent of its gross economic product.

Palestinians said the West Bank's largest hospital, Mokassed in East Jerusalem, had been depending on $1 million a month in Kuwaiti donations for 80 percent of its operating expenses and might have trouble operating now that they have ceased.

Mr. Freij said he did not have the money to pay for municipal services or employees in Bethlehem after this month because his own subsidies from Kuwait and other Arab nations had been cut off.

Moreover, he said, 15,000 Bethlehem natives who have been living in Kuwait have ceased to support their families here, and some have turned up as indigent refugees in Jordan.

"This situation is disastrous for us," Mr. Freij said.

Patrick Baz/Agence France-Presse
Palestinian refugees searching for their luggage after crossing from Jordan to the West Bank.

ESCAPE: *After 26 Days in a Tightening Noose, a Caravan to Saudi Arabia, and Freedom*

(Continued from page 1)

respondent, Victor Mallet — and I worked as if we were covering any story.

We hired taxis to go around town and interviewed people on the streets, in hospitals and in hotels. The Iraqis seemed more preoccupied with moving troops to the south than with tightening their grip on Kuwait City.

But then a group of Iraqi military and civilian officials checked into the Kuwait International Hotel. Every day they left in buses to go to the Iraqi headquarters, at this time believed to be in the Iraqi Embassy. It was clear they had come to administer the city.

When they checked in, I checked out. The last thing I wanted was Iraqis inquiring who I was.

I moved in with some Americans. They had worked for an engineering company on a project in Kuwait. Like most Americans stranded by the invasion, they had organized themselves with a warden who kept in contact with the U.S. Embassy and informed them about efforts being made to evacuate Americans. Most of them expected to leave Kuwait by convoy into Saudi Arabia, and their cars were always ready.

Food, some of it acquired with help from local residents, was stored communally for all to share. At night, to break the boredom and ease their fears, these Americans gathered for a meal and, when they were lucky, a new video. Novels were passed around. One night we played charades.

For these Americans, the greatest burden was, and still is, not being able to call home. The Iraqis' refusal to restore international phone lines has isolated Kuwait more effectively than any army.

For reporters, this was the greatest distress: We had first-hand accounts of what was going on in Kuwait and no way to communicate them. We tried embassies, but the most that a couple of them allowed us was a brief pool report. We searched for people to carry out stories and even discussed trying to find a carrier pigeon.

About 12 days after the invasion, my two colleagues decided to make a run for it. Baghdad radio had announced that Iraqi troops had been ordered to "facilitate travel."

But there was a catch: Travel had to be through Iraq, and it was not clear that Westerners would be allowed to go unimpeded.

Nevertheless, my colleagues called at 11:30 P.M. to say they were going to set out at 4:30 A.M. the next day.

With no transportation and a nighttime curfew in force, I had no way of reaching their hotel to join them. But I had given Hettie Lubberdinger a story to file for me. Two days later, I heard they had somehow made it to Saudi Arabia.

As the days passed, people in Kuwait City became more tense. The early demonstrations by women protesting the invasion had stopped. People used the phones more discreetly, not knowing whether they were bugged. Banks and government offices remained shut. Roads were empty. And the pressure began to mount on foreign embassies to close.

But it was still possible to travel around the city. The only time I had to show my passport was when entering the Egyptian Embassy, where two Iraqi soldiers guarded the front gate. One of them took my passport, looked at my picture, looked at my face and gave the passport back — saying nothing. He could not read English and apparently did not know I was American.

After Aug. 16, the danger to Westerners became more acute. That was the day Iraq first ordered British and American nationals to gather at local hotels. The order was ignored by most, but it clearly had tightened the noose.

Since then, most Westerners have not left their homes. A day before the Iraqi order, two Americans and I set out to try to escape through the southern desert into Saudi Arabia, an exit that has been used by thousands of Kuwaitis and expatriates since the invasion.

Packing the car with our belongings — and with bread and water — we set out about 10 A.M. We made it out of the city on the main highway, but about 2 miles (3 kilometers) past the big thoroughfare, we were stopped by two Iraqi soldiers.

"Where are you going?" asked one soldier. No reply.

"Saudi Arabia?" he said, laughing. No reply.

We had the feeling we were going to be allowed to pass. But then an Iraqi officer got out of a pickup truck and came over to our car. He made a big U-turn with his hand. We complied.

A few days later, I finally met someone who said he could help me get out. I moved to a place where I would be closer to him and his family to facilitate the departure. These people showed me tremendous hospitality. If the Iraqis knew their identity, they would certainly be arrested.

We left in a nine-car convoy about noon, heading south. By 1:20 P.M. we had passed several checkpoints and entered the desert — a flat, bleak expanse. Everywhere, cars were trapped in the sand, their engines dead or wheels stuck.

Three times, we had to stop to dig one of our cars out of the sand. Two of the nine vehicles had to be abandoned when their engines failed. We bounced along, holding our breath and scanning the horizon for Iraqi patrols.

We were lucky. We saw only two Iraqi soldiers sitting in the blazing sun on a solitary tank. They waved. We waved back.

Just then one of our cars sank in the sand. The soldiers bolted off their armored perch. Maybe a bit of money passed hands, maybe they were just bored and tired. In any event, they let us pass.

The first I realized we were near the border was when I saw a young boy hanging out the window of another car, grinning. He thrust his fists in the air in a sign of victory. Ahead was a low stone building with a crenellated roof, protected by a berm of sand. It was a Saudi border police post, and safety.

We were warmly greeted. The Saudis gave us cold orange juice, water, cookies, bread and cheese. Passports were gathered for processing.

And it was with mixed feelings that I climbed into the car of a U.S. diplomat who had been patiently waiting for Americans at the border for more than a week. I was the only one to arrive in eight days. As we headed for Riyadh, I thought that my journey in a sense was over. But somehow, remembering the Kuwaitis and Westerners still held hostage, it does not seem finished.

After a Briefing, Legislators Back Bush Strongly

New York Times Service

WASHINGTON — President George Bush has won overwhelming support from more than 170 members of Congress whom he briefed on the Gulf crisis, but several senior legislators expressed worry about the patience of the American people in supporting a strategy that may take months to work.

Mr. Bush told the group on Tuesday that he hoped to force Iraq to withdraw from Kuwait and to release its hostages "without further violence." He also said that he hoped to announce soon that other countries had made commitments to help pay for the U.S. enterprise in the Gulf.

Senator Richard G. Lugar of Indiana, an influential Republican on foreign-policy issues, said that President Saddam Hussein of Iraq had to be driven from power and that to do so was likely to require the use of U.S. military force.

"There is a sense of awe at how brilliantly Bush has handled this," said Representative Newt Gingrich, Republican of Georgia, a conservative who serves as House minority whip.

FORCES: *Army Supply Problems*

(Continued from page 1)

most heavily armored ground forces only began arriving in the last few days. The full divisions are not due for weeks.

American television screens have been filled with scenes of American soldiers debarking from planes filled with bravado for plunging into war against Iraq. But senior U.S. military commanders concede that the buildup is far from ready for any offensive venture.

"I don't think anybody ought to be talking about offensive right now," said Lieutenant General Walter E. Boomer, who commands Marine Corps forces in Saudi Arabia.

The Senate Armed Services Committee chairman, Sam Nunn of Georgia, who visited Saudi Arabia on Monday, appeared to reflect a larger military concern when he said it was apparent to him that priority now should be to bring in a lot more well-equipped ground forces, particularly Egyptian units with tanks.

The bulk of American forces on the ground are still busy supporting the huge logistical efforts to move millions of pounds of equipment and tens of thousands of troops. Overall, only a handful of units have moved into positions for their primary mission of defending key Saudi military and oil installations.

Military officials and diplomats say the U.S. armed forces will not have amassed a fully credible defensive force for another six to eight weeks.

General Charles Horner, deputy commander of the U.S. Central Command, which is controlling U.S. forces in Saudi Arabia, said:

"Every night we say, 'What if they attack tonight? What do we do?' These three weeks have seemed like three years."

To date, the entire U.S.-Saudi defense rests mainly on their formidable air power, which the Iraqis are unlikely ever to challenge seriously.

U.S. Denies Any Plans To Revive Army Draft

New York Times Service

WASHINGTON — Despite the largest U.S. military buildup since the Vietnam War, the government said it had no plans to revive the draft, which was abandoned 17 years ago.

"I've had a million questions on that one, but there is no intention to initiate the draft," a Pentagon spokesman, Major Doug Hart, said Tuesday. Similar sentiments were expressed by officials of the Selective Service System, which administers the nation's largely dormant draft apparatus.

HEALTH / SCIENCE

Racing to Get Oil Alternatives on the Road

By William K. Stevens
New York Times Service

IN the last 10 years, scientists and engineers have taken long strides toward the day when alternative energy sources can compete with oil from the Middle East, and some of the more promising alternatives are on the verge of practicality.

But a drastic cut in funding for energy research in the United States over the past decade has slowed progress in many areas. And even if the research effort is accelerated now, experts say, the energy system that has grown up around petroleum is so vast and so entrenched that it will be years, even decades, before the alternatives replace oil on a large scale.

It is clear, say the experts, that the biggest and most important gains in the struggle to wean the United States from petroleum are to be made in transportation, which accounts for nearly two-thirds of all oil consumed in the country. If alternative fuels and technologies could somehow magically displace gasoline today, they would eliminate most of the need for imported oil at one stroke.

Now, stimulated in the last few years by environmental concerns, scientists and engineers have brought to the brink of fruition, or close to it, a number of alternative ways to power motor vehicles. Many of them are based on resources that are renewable, rather than depletable, and that emit less pollution than gasoline.

Scientists working with advanced enzymatic techniques are steadily improving the process by which wood is converted to ethanol, a form of alcohol fuel. The use of wood and other vegetation opens up a potentially vast source of renewable raw materials, or feedstocks.

Commercially produced methanol, another form of alcohol fuel, is already as cheap or cheaper than gasoline. Recent analyses by the Environmental Protection Agency have found that it now costs 90 cents to $1.10 to buy methanol that will propel a car as far as a gallon of gasoline.

As part of an attempt to capitalize on this economic fact, the EPA's emission-control technology laboratory in Ann Arbor, Michigan, expects to begin testing, in about two weeks, the first prototype of an engine especially designed for methanol.

American automobile manufacturers, meanwhile, have built engines designed especially for ethanol-fueled autos and installed them extensively in Brazilian cars. Within the past five years automakers here and abroad have also brought to technological maturity flexible-fuel engines that burn methanol, ethanol and gasoline interchangeably, or any mixture of the three.

The blending makes it possible for the alcohol fuels to replace gasoline gradually, with a minimum of disruption in the supply system. As part of its stringent new policy against air pollution, California is to serve as a preproduction testing ground for the cars.

By the end of the century, electric vehicles may also be making a dent in urban transportation. All three major American auto companies have been working on electric vans and cars. As part of a demonstration project, General Motors, for example, plans to begin production next month of the first 60 modern electric vehicles produced in the United States.

The years and decades ahead are likely to see a vigorous competitive struggle among these fuels and technologies, as well as compressed natural gas, which is being sold experimentally as an auto fuel in the United States.

As transportation fuels, methanol and ethanol share an advantage in that they can each be produced from a variety of feedstocks — for example, natural gas, garbage and even sludge for methanol; grain for ethanol; wood for both. Neither alcohol fuel emits as much pollution as gasoline when burned.

Both ethanol and methanol can also be used in existing cars if some engine modifications are made, but experts say that new engines are necessary to make the alcohol fuels fully competitive.

"We are not suggesting retrofitting," said Charles L. Gray Jr., the director of the EPA's lab in Ann Arbor, where the prototype of the methanol engine is about to be tested.

Both alcohol fuels pack less energy per gallon than gasoline, and the new engines are designed to help compensate for this.

"We would probably say methanol is the fuel to beat," said Mr. Gray. This is largely because the enlistment of natural gas as a ready feedstock has already made methanol economically competitive.

But pipeline capacity makes natural gas in the United States vulnerable to sudden shortages in times of extraordinary demand, and much of the gas envisioned as methanol feedstocks would probably come from Canada, Mexico and the Soviet Union.

Moreover, the burning of methanol has been criticized as emitting twice as much formaldehyde gas, a possible carcinogen, as does the burning of gasoline. Mr. Gray says that this can be controlled and that methanol emits far fewer other carcinogens than gasoline.

In the United States, ethanol has so far been produced from corn and is sold as an additive that, when combined with gasoline, produces gasohol. It receives substantial federal subsidies, however, and some experts say that ethanol production would be limited by the size of the corn crop. Scientists are therefore looking toward ethanol derived from wood and other vegetation.

At the Solar Energy Research Institute, scientists are using a variety of enzymes to break down the cellulose components of wood more efficiently, producing higher yields of ethanol that in turn bring down its cost per unit of feedstock.

Electric vehicles emit no pollutants at all — except for those emitted by the electric power plants that recharge the vehicles' batteries — and their development by auto companies is proceeding apace.

"I think that by 2000, the impact of electric vehicles should begin to be felt," said Larry O'Connell, the manager of the transportation program at the Electric Power Research Institute.

For the most part, their range is still limited by battery technology. General Motors' van that will go into limited, preliminary production next month, for instance, has a range of 60 miles (96 kilometers) when half laden, Mr. O'Connell said.

In the end, given the slow rate at which the alternatives are likely to be adopted, many of the scientists and engineers who work with them urge a time-tested interim strategy for reducing dependence on oil: conservation and increased efficiency in the use of petroleum.

How Fuels Compare With Gasoline

A comparison by Environmental Protection Agency officials of alternative fuels' performance. Vehicles are assumed to be optimally designed for each fuel. The assessment of ethanol is based on current technology, but its backers say that big improvements in cost and available raw material are likely.

👍👍 Much better than gasoline
👍 Somewhat better than gasoline
= Similar to gasoline
👎 Somewhat worse than gasoline
👎👎 Much worse than gasoline

	Methanol	Ethanol	Compressed natural gas	Liquefied petroleum gas	Electricity
Raw material supply/diversity	👍👍	👎	👍👍	👎	👍👍
Environmental impacts	👍👍	👍👍	👍👍	👍👍	👍👍
Vehicle cost	=	=	👎	👎	👎👎
Vehicle utility (range, luggage space)	=	=	👎👎	=	👎👎
Vehicle performance	=/👍	=/👍	👎👎	👎	👎👎
Current fuel operating cost (low demand)	👎	👎👎	=	=	=/👍
Future operating fuel cost (high demand)	👍👍	👎	👍	=	=/👍
Refueling convenience (time, complexity)	=	=	👎👎	👎👎	👎👎

Source: Charles L. Gray Jr. and Jeffrey A. Alson, Scientific American

The New York Times

HEALTH Q&A

Means of Handling Hot Weather Travel

We will be traveling by car this summer with our children (ages 4 and 8) and my parents (ages 76 and 77) throughout the Mediterranean basin (Italy and Middle East). What precautions would you recommend regarding the heat and humidity?

Everyone, regardless of age, is a potential victim of heat exhaustion, dehydration and heat stroke, if not properly prepared. This is particularly true of children, older persons and the obese.

The problem is that when we are exposed to very intense heat and humidity, we run the risk of severe exhaustion due to uncompensated fluid and mineral losses. My recommendation to avoid heat strokes is to consume between two and three liters throughout the day of fresh water and beverages that are rich in the needed minerals: fruit juices, tea, clear soup and mineral water.

□

As I embark on my yearly vacation in the sun, my attention is constantly drawn to the connection between sun exposure, the disappearing ozone and skin cancer. How important are these relationships worldwide?

Skin cancers — basal cell carcinoma, squamous cell carcinoma and melanoma — constitute one of the most common forms of cancers in the world. There is a well-accepted positive correlation between cumulative exposure to the ultraviolet rays of the sun and the risk of developing the nonmelanoma types of skin cancer. This is supported by the increasing incidence of these tumors with decreasing latitudes (that is, as one approaches the equator) and the occurrence of nearly all these cancers in the sun-exposed parts of the body. In contrast, with melanomas, though worsened by short bursts of intense sunlight resulting in sunburn, family history and one's ethnic group also play an important causative role.

With regard to the diminishing ozone layer, rough calculations suggest that every 1 percent decrease in the ozone layer would lead to a 2 percent increase in the amount of ultraviolet reaching the earth and a consequent 5 percent increase in nonmelanotic skin cancers.

Use of maximally protective sunscreen will certainly help to reduce the incidence of skin cancers, but this measure must be accompanied by proper education and screenings. For example, in Australia, a partly tropical country settled by sun-sensitive whites, has the highest incidence of skin cancers in the world: 1,000 deaths in the 140,000 new cases of skin cancer diagnosed in Australia every year. In response, the proportion of Australians reporting with early lesions to melanoma detection clinics has increased from 30 to 70 percent in the last decade. The health implications of this type of approach are striking: early diagnosis of melanoma leads to a 95 percent chance of a 10-year survival.

□

I am French and am being transferred to the United States with my family, which includes, of course, the family dog (a Labrador retriever). What preparations are necessary for our pet to enter the States?

It is very important that your pet, traveling between countries, be free of communicable disease, as many animals carry infections that are dangerous to human beings. Your dog will be examined by the U.S. Public Health Service at your port of entry for evidence of any disease that can be passed on to humans. The big concern is rabies.

As France is not a rabies-free region, your dog must be accompanied by a valid rabies certificate that includes the following information: the breed and other identifying information, the vaccination date (which must be at least 30 days prior to the dog's date of arrival), the vaccination expiration date and the signature of a licensed veterinarian.

Puppies less than three months of age may be admitted but must be kept in confinement in transit and at destination by the owner until vaccinated at three months, as well as for 30 days after vaccination.

Michael McGannon, M.D., will answer questions from readers every other Thursday. Please write to him at the International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly, France.

IN BRIEF

Debt-for-Nature Deal To Aid Madagascar

NEW YORK (NYT) — In the first debt-for-nature swap that cancels both trade debt and bank debt, the Central Bank of Madagascar has agreed to allow a private conservation group — Conservation International, based in Washington — to pay $5 million of the government's international debt in exchange for a commitment to try to save Madagascar's unique and endangered plants and animals.

The money will be used for research to make inventories of endangered plants and animals; to promote environmental education; to give parks, preserves and other protected areas technical and financial support; and to teach agricultural techniques that are less harmful than current slash-and-burn methods.

Madagascar, off the east coast of Africa, harbors plants and animals found nowhere else. More than 80 percent of its forests have already been destroyed.

Ninety-five percent of primates on Madagascar live there and nowhere else. That is true of 80 percent of flowering plants, 98 percent of palm species and 88 percent of reptiles. Madagascar has several species of lemurs (photo), monkey-like primates that help to balance the ecosystem by dispersing the seeds of the plants and fruits they eat, causing them to grow at various locations on the island rather than growing in one area.

Is Butter Better? Answer is Still No

NEW YORK (NYT) — A study published Aug. 16 in The New England Journal of Medicine created a stir by suggesting that margarine, which has been considered more healthful than butter, may actually raise cholesterol levels and increase the risk of heart disease.

Some headlines simplified the message to, "Is butter better?" The answer is no. The study did not implicate margarine so much as it did the trans fatty acids formed in

the processing of margarine, but which are pervasive in other substances such as commercial shortenings and frying oils.

The study by two Dutch researchers found that margarine, which consists largely of unsaturated fats, contains trans monounsaturated fatty acids, which lower the blood level of a form of cholesterol that protects against heart disease while increasing that of a harmful form of cholesterol.

Butter is high in saturated fats that raise blood levels of the harmful form of cholesterol.

Repeat Caesareans Held Not Necessary

WASHINGTON (AP) — A recent survey casts new doubt on the old notion that women who have given birth by Caesarean section must always deliver that way. The survey of 2,213 physicians by the American College of Obstetricians and Gynecologists found that 63 percent of women who attempt vaginal delivery after having had a Caesarean section succeed.

"Strides certainly have been made" to convince women and their physicians that vaginal deliveries are safe and successful alternatives to repeat Caesareans, said Dr. Mary Jo O'Sullivan, secretary of the organization.

Unraveling Mystery of AIDS Risk

By Elisabeth Rosenthal
New York Times Service

RESEARCHERS are finally finding leads to one of the biggest mysteries surrounding the heterosexual spread of AIDS: why some people contract the virus after a single act of intercourse while others have sex with an infected partner for years without using condoms and are not infected.

"There seems to be a wide variation" in the ease with which the virus spreads among heterosexual couples, said Dr. Thomas O'Brien, an epidemiologist at the Federal Centers for Disease Control in Atlanta. "We're starting to have a sense of the factors that are important."

In a series of small studies carried out in Africa, Europe and the United States, the scientists have zeroed in on several conditions that seem to make some people more proficient at spreading the AIDS virus and others more vulnerable to acquiring the disease. The factors include previously unsuspected venereal diseases, variations in the amount of virus that infected people have in semen or vaginal secretions and possibly the use of intrauterine devices.

"There's no clear relationship between the number of episodes of unprotected sex and whether someone gets infected," said Dr. John N. Krieger, of the University of Washington. "It's not a simple equation. We're trying to figure out what's going on at a biological level."

Transmission of the AIDS virus can occur either from man to woman or from woman to man, but most studies have shown that the virus spreads far more readily from male to female. Although they are still relatively few, female partners of men infected with the human immunodeficiency virus, which causes AIDS, are one of the fastest growing groups of patients with the disease in the United States.

Although experts consider the virus difficult to spread through vaginal intercourse, some AIDS patients have spread the disease widely. Several months ago The New England Journal of Medicine reported the case of a man in Belgium who transmitted the disease to at least 11 women before he died, despite having had only one known sexual encounter in a few of the cases.

Certain conditions seem to increase the likelihood of transmission. For several years, doctors have known that venereal diseases that cause genital ulcers, including syphilis and herpes, increase the risk, presumably by increasing the likelihood that AIDS virus in the blood, semen or vaginal secretions will gain access to the partner's bloodstream. And, as among homosexual men, transmission of the virus among heterosexual couples by anal intercourse seems to be particularly frequent.

BUT a plethora of small studies have implicated numerous other factors as promoting the spread of the AIDS virus by heterosexual intercourse, including these:

- Lack of circumcision puts men at higher risk of contracting AIDS, at least in part because uncircumcised men have more genital ulcers. In Africa, the number of AIDS cases is generally lower in regions where men are routinely circumcised.
- A handful of sexually transmitted diseases that do not cause genital ulcers, including gonorrhea, chlamydia, trichomonas and human papilloma virus. These cause an inflammation of the genital region, which may facilitate the transfer of the virus during sex.
- A benign condition of the cervix, called ectopy, in which unusually delicate tissue covers part of the vagina. Cervical ectopy is common in women in their teens and 20s but tends to disappear as women age.
- Use of an intrauterine device. In an Italian study, women who used IUDs were three to four times more likely to contract AIDS from an infected partner.
- Intercourse during menses. This practice increases the risk of transmission from women to men.

Most studies examined couples in which only one member was infected and sought to determine the characteristics of the partners who later acquired the disease. Few couples used condoms.

Experts emphasize that the now-convincing links between venereal disease and AIDS lend a new urgency to treating sexually transmitted diseases aggressively. Public health experts say programs to control infections like gonorrhea and syphilis have been eclipsed by the focus on AIDS in recent years, and these diseases are on the rise.

Heterosexual transmission of the AIDS virus, the primary route of spread in Africa, is increasing rapidly in the United States, particularly among women whose partners are intravenous drug users. In a 12-month period ending in June, about 6 percent of the 39,000 new AIDS cases reported were attributed to heterosexual contact, with about two-thirds of the cases among women.

Dr. Nancy Padian at the University of California at San Francisco studied couples in which only one member was infected and found that the spread from man to woman was more than 10 times more frequent than the reverse.

A Brazilian study of 11 couples in which the wife carried the AIDS virus found not a single man infected after an average of four years of unprotected sex.

Perhaps the most intriguing work has been on cervical ectopy, done by Dr. Gregory Moss, senior fellow in the Department of Infectious Diseases at the University of Washington.

Dr. Moss studied 90 couples in Nairobi in which at least one member carried the AIDS virus. He found that if women had ectopy, they were more likely to have contracted the virus.

While more than 90 percent of patients over 30 infected with the AIDS virus in the United States are male, that percentage decreases in younger groups, and among teenagers nearly equal numbers of men and women are afflicted.

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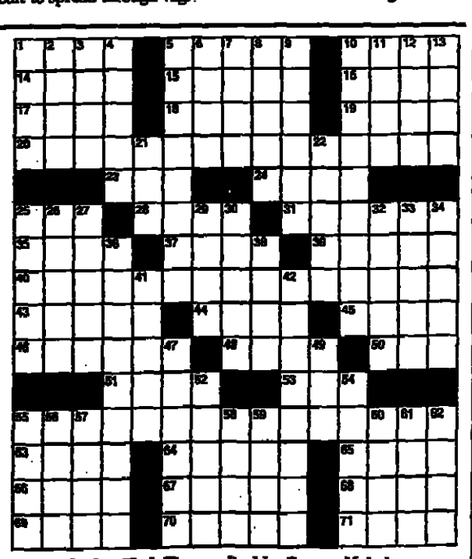
ACROSS

1 Lion's hangout
5 "Thy word is —— unto my feet . . .": Psalm 119
10 Command to Fido
14 Within: Comb. form
15 Not now
16 Take the edge off
17 "They have spread —— . . .": Psalm 140
18 What Berra once guarded
19 Partner of crafts
20 Nay or neigh
23 Inlet
24 I.o.u., e.g.
25 Ethiopian prince
28 Rain of Spain collector
31 Confutes
35 Of the ear
37 Chalet feature
39 Eagle's abode
40 Ite or clam chowder
43 Without embellishment
44 Of a time period
46 Snappish
48 Broke bread, in a way
49 Belgian stream
50 Ar-tee connection
51 River of Switzerland
53 Broadcast
55 Being or begin
63 A neighbor of Ghana
64 From bad to ——
65 Pop drink
66 Kazan of Hollywood
67 Les ——-Unis
68 One of the Alcotts
69 When both hands are up
70 Adjust the clock
71 Eft

DOWN

1 A wife of Jacob
2 Part of A.D.
3 Footnote term
4 Chopper part
5 From A to Z
6 "Namouna" composer
7 —— impasse
8 Doled
9 Lean toward
10 Pulsation
11 Bring home the bacon
12 An in-law of the Borgias
13 ——-majesté
21 Bird allied to a jay
22 Caribbean witchcraft
25 Gambols
26 In any way
27 Horeb
29 Control a race horse's speed
30 Female gonad
32 Bears, to Ovid
33 Shea levels
34 Certain Spanish paintings
36 Actor Belushi, by birth
38 Namesakes of a Spanish queen
41 Lend —— (listen)
42 Most lucid
47 Top- —— (A1)
48 Roast or something to roast
52 Chew the scenery
54 Puerto or Costa follower
55 "—— o'clock scholar"
56 —— contendere
57 Exchange premium
58 Some monks
59 Italian innkeeper
60 City on Seward Peninsula
61 Incandescence
62 Orient



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Solution to Previous Puzzle

C	O	L	D		B	E	S	O	M		S	L	A	M
A	M	O	Y		E	L	O	P	E		T	O	L	A
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S	A	T	E	E	N		C	A	N	A	P	E	S	
O	M	E	N			S	A	T	O	N		S	A	W
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T	U	P		F	L	A	U	M			R	E	I	N
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		K	I	N	D		C	A	T					
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G	O	T	T	E	R	D	A	M	M	E	R	U	N	G
A	L	O	E		U	N	I	T	E		A	R	A	G
R	E	N	D		T	A	M	E	R		B	A	T	S

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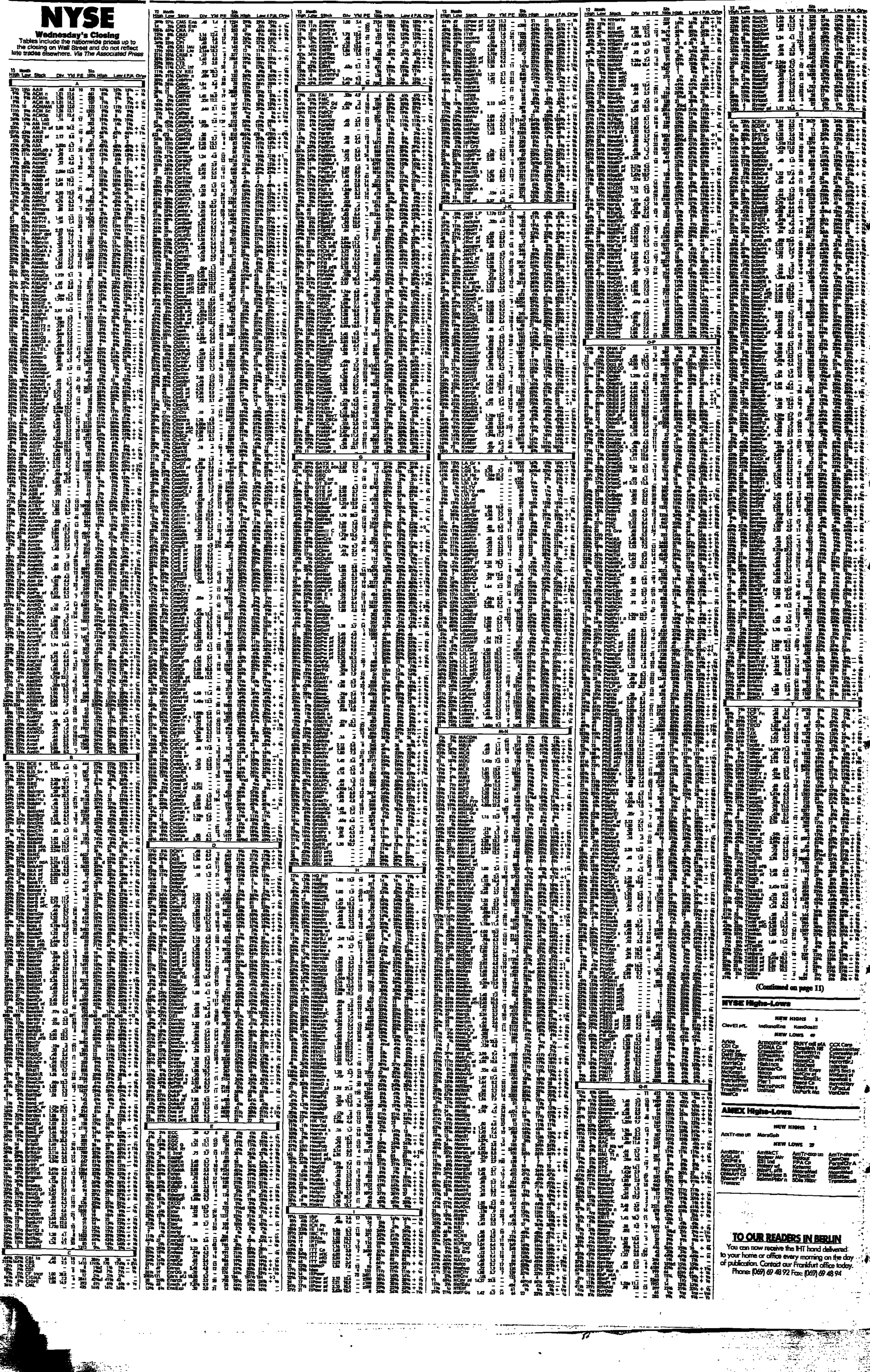
NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



NYSE Highs-Lows

NEW HIGHS 3

ClevEl pfL IndianaEns KanGasEl

NEW LOWS 49

Arkla | Armcolnc pf | BKNY cvB pfA | CCX Corp
CDI Cp | CIGNA Cp | ChaseMnh 165 | ColonialInter
Cruise pr | CrownAuto | CrftsmnVn | CypressMn pf
DeltaDsNet | DiscRealtn n | FinancFds | Flinstr pf
FrkinPrin | GtMtSes prB | HarrisCp | HorrorSFJ
HorrisCp | Hoskinco | HiltsDept | Interlsn
KansasPwLt | KemperCp | LG&E Enrgy | MFS Sec3 s
McKCasn | Nacco | NatCnv pf | NiMSemi pf
NetwkSys | NorAmerHl | NwyEngElc | Newhall s
PatriotPrm | Pier 1 | Reece Co | RaymdRay
SnkeAnthr | SierraPacR | Telodyne s | TcPacLd
TmsRfty wi | Unitrod | UnPark Mn | VanDorn
WestCo

AMEX Highs-Lows

NEW HIGHS 2

AmTr-mo un | MorsGph

NEW LOWS 29

AmBlttr n | AmBkCT | AmTr-cap un | AmTr-shs un
ArkLnd | Badger Mtr | Balfour | CamrDev
CmpFds s | BSI Ind | FPA Cp | ForstCtyA
BenevDrg | Healey wt | Kahlenb | Medicore
MicronPrd | MtnPL prB | MoorMed | MoorMed
OhioArt Co | OrtelHme B | PrtmtEmt | RtEstInc
RhnePl rt | SalmnPhBr n | SDis 7Bpr | Transalce B
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(Continued on page 11)

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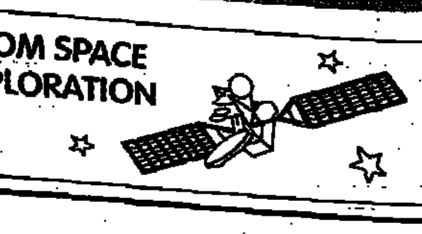
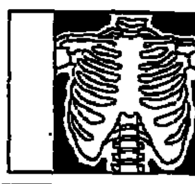


International Herald Tribune
BUSINESS/FINANCE
** THURSDAY, AUGUST 30, 1990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ECONOMIC SCENE

West Blows Smoke Rings At Consumers in the East

By Marc Fisher
Washington Post Service

BERLIN — The first and only Westerner ever to stand watch over East Germany's infamous Checkpoint Charlie border crossing was a latecomer: a lean, rugged guy with a stare even the toughest border guard couldn't match — the Marlboro Man. The symbol of the West's most popular cigarette — along with the Lucky Strike bull's-eye and the Camel camel — has become omnipresent in the streets and shops of East Germany.

As health concerns trim the ranks of smokers in many Western countries, international tobacco companies have discovered a new and still-growing market in East Germany and Eastern Europe.

With political and economic barriers tumbling, three large Western cigarette companies have wasted no time in taking over the East German cigarette industry. R.J. Reynolds Tobacco Co., Philip Morris Cos. and the West German Reemtsma Cigarettenfabriken GmbH agreed to split the East German plants among them. The Western companies guaranteed the jobs of the country's 5,500 tobacco workers.

Western cigarette companies have wasted no time in taking over the East German industry.

"This could be our opening to Eastern Europe," said Udo Wolff, spokesman for Philip Morris in Munich. "These people know the market in the socialist countries."

The Western companies are revamping factories and have already sent sales forces numbering in the hundreds into East Germany, a country of 16 million people. Salesmen are using every trick in the marketing textbook — from umbrellas for street-side cafes to signs for corner stores — to get their names known and products bought.

While the European Community debates a total ban on cigarette advertising, East German newspapers and shop windows have been covered with colorful brand logos. Billboards, previously unknown in the country, are suddenly everywhere.

New York City, for example, has prohibited cigarette companies from handing out free samples. But in the first weeks since the German economies merged July 1, it's been hard to walk through any East German town square without being offered cigarettes by white-costumed Marlboro cowgirls.

THROUGHOUT East Germany, American Tobacco Co. and its Lucky Strike brand have been luring customers by giving away trips to the United States and staging an enormously popular promotion, the "One-to-One Exchange," a play on the rate West Germany gave East Germans for their nearly worthless currency.

"Step up and exchange your old cigarettes for Lucky Strikes," shouts a hawker on East Berlin's Alexanderplatz. "Start your new life right here." Hundreds of truckloads of Cabinets, East Germany's most popular cigarettes, have been taken away and destroyed, the promotion's East Berlin coordinator boasted.

"They believe Western cigarettes are better than their own," said Christoph Walther, vice president of Reemtsma, the largest West German cigarette maker, which before World War II owned seven plants in what is now East Germany. "And the quality difference is extreme. The socialist countries could never buy the tobacco they wanted; they had to settle for low-grade plants" from Pakistan, India and Bulgaria.

The push in the East is crucial to tobacco companies. Because anti-smoking attitudes grow more popular as countries become more affluent, the companies are hurrying to win converts before the East German economic transformation is complete.

"In the long run, East Germany will not be different from the other northern European countries where smoking is going down," Mr. Walther said. But for now, the East is prime territory.

While cigarette sales in the United States have dropped by

See SMOKE, Page 11

BASF Net Off 20% In Half

Higher Oil Prices Dampen Outlook

Compiled by Our Staff From Dispatches

LUDWIGSHAFEN, West Germany — BASF AG said Wednesday its first-half net profit fell 20.5 percent because of lower sales prices for chemicals and the effect of the Deutsche mark's strength on foreign earnings.

The company predicted further weakness in the second half because of the recent rise in oil prices.

BASF said group net profit fell to 785 million DM ($506.8 million) in the six months ended June 30, from 988 million DM a year earlier. Sales slipped to 23.37 billion DM, from 24.46 billion DM.

The report came two days after Bayer AG reported its first-half earnings fell 5 percent. Other European chemical companies also have reported weaker first-half earnings.

In a letter to shareholders, BASF said its profit for the year would fall sharply because of the impact of the Gulf crisis on oil prices and uncertainty on currency markets.

It said earnings would be in line with 1987, when it posted a group net profit of 1.05 billion DM. Last year's group net was a record 2.02 billion DM.

BASF would need to raise prices 15 percent to maintain profit margins on plastics following recent oil price hikes, a member of the company's executive directors board, Max Dietrich Kley, said at a news conference in London.

Based on talks with suppliers, price increases in major raw materials would cost the company an extra 500 million DM per quarter, he said.

BASF said its sales prices had fallen, and the strength of the mark against the dollar, yen and pound had reduced export earnings.

Overseas sales were down 7.8 percent, at 7.2 billion DM. Sales were down 10 percent in both North America and Asia. The weaker U.S. economy also hit sales in North America, it said.

Sales in Europe were off just 1 percent.

BASF shares closed 4.80 DM lower at 238.20. *(Reuters, AFP)*

Making Money Out of Crisis

For Bullets, Bug Spray and Bread — It's Boom Time

By Andrew Pollack
New York Times Service

NEW YORK — As American soldiers mobilize in the Saudi Arabian desert, hundreds of U.S. companies are mobilizing in their own way to deliver to the armed forces everything from bullets to bug spray. While no one is hoping for a war, many companies have a chance to reap unexpected profit from the military buildup.

One company, Sterling Foods Inc. of San Antonio, Texas, received an $8 million contract in March to make 18 million small loaves of bread to be served with soldiers' rations. Now with the movement of U.S. troops to Saudi Arabia, the Pentagon's contract for the bread, which can last several years in sealed pouches, has been greatly expanded.

"It's almost like there's no lid on it. Make as many as you can," said Roy D. Terracina, president of the privately owned company. "We are running two full shifts, six days a week. It's good for business, yeah, but it's also kind of scary."

Businesses that supply the armed forces stand to benefit both immediately and in the long run from the Middle Eastern conflict. Companies like Sterling Foods & Edcar, a Puerto Rico-based uniform company, will gain first from the short-term burst in sales as the Pentagon hastily scrambles to feed, dress and equip tens of thousands of soldiers for life in the desert.

In the last two weeks, Tyson Foods of Springdale, Arkansas, has supplied 240,000 pounds of frozen chicken to the armed forces. As is the case with other large companies, though, that amount represents a small amount of Tyson's business.

Still, as of last week, the Pentagon had bought 150,000 bottles of sunscreen lotion for $219,000; 6,000 boxes of lip balm for $99,000; 230,000 cans of foot powder for $80,000, and 40,000 cases of insect repellant for $76,400.

The bill for canteen covers came to $470,000.

And then there were more than 70,000 pairs of sunglasses, 100,000 pairs of goggles, 100,000 sewing kits and 17,000 handkerchiefs.

In the long run, analysts and executives say, military contractors and weapons suppliers will gain. That is because Pentagon spending will very likely not be trimmed as sharply as was being planned only a few months ago, when the Cold War ended and it seemed peace was breaking out all over.

Experts say the Middle East conflict will not immediately lead to new orders for major weapon systems, partly because big military weapons purchases in the 1980s left the nation well-equipped.

"You could go to war with Iraq for a year without buying a thing," said Lawrence J. Korb, senior fellow at the Brookings Institution.

So the companies that will see the most new business at first are those that make items like ammunition, spare parts and military clothing. Those goods will be used up more quickly than they would have been before troops were deployed overseas.

Some of the biggest increases in business have gone to companies that make uniforms needed for desert combat or chemical warfare.

The Pentagon has not had anyone making desert battle uniforms since 1986, and many of the soldiers were sent to Saudi Arabia in camouflage outfits designed to blend into European forests or Asian jungles.

So two companies in Puerto Rico, Edcar and Propper International, are rushing to turn out 75,000 desert uniforms by October.

Before Iraq invaded Kuwait on Aug. 2, Sac &

See MILITARY, Page 11

OPEC Boosting Output to Meet Global Shortfall, Oil Prices Drop

By Youssef M. Ibrahim
New York Times Service

VIENNA — After weeks of deliberations, the Organization of Petroleum Exporting Countries on Wednesday authorized its key oil producers to pump all the oil they can immediately.

The decision will add some 4 million barrels a day to world oil supplies, thus making up for virtually all the exports missing from Iraq and Iraqi-occupied Kuwait as a result of the United Nations embargo.

[World crude prices fell sharply on the news of an OPEC accord, as well as a report from the American Petroleum Institute that U.S. crude inventories rose recently, United Press International reported.

[On the New York Mercantile Exchange, West Texas Intermediate crude for October delivery fell more than $2.30 a barrel before rebounding slightly in late trading. The benchmark U.S. crude ended $1.96 lower, at $25.92 a barrel.

[The oil price fall in turn fueled a rally on Wall Street. The Dow Jones industrial average rose 17.58 points to 2,632.43.]

[The official Iraqi News Agency quoted Oil Minister Isam Abd Rahim Shalabi as saying Iraq opposed

West German inflation rose sharply in August. Page 11.

any increases in OPEC production, and it would consider "any increase in output by any of the OPEC members illegal." Reuters reported from Nicosia.]

Saudi Arabian officials said their country, OPEC's largest exporter of oil, already had boosted its output to 7.5 million barrels a day.

The officials said Saudi Arabia expects to push output further, to more than 8 million barrels a day, by September. That would represent a rise of 30 percent above the country's oil output in May.

The Saudi increase is considerably larger that what oil market analysts anticipated.

In addition, the United Arab Emirates said it was boosting output immediately in "a dramatic way," according to a senior official who asked not to be identified. The official suggested the UAE will produce more than the anticipated 600,000 barrels a day.

In Paris, the International Energy Agency commended the OPEC decision.

But the agency, which represents the energy interests of 21 industrialized Western countries and Japan, rejected the idea of working with OPEC by drawing down oil stocks. It said Iran's suggestion to that effect "is not feasible, politically or economically."

The OPEC move is seen as a further blow to Iraq, which had hoped that rising oil prices and short oil supplies would eventually diminish international enthusiasm to enforce the embargo.

The boycott is aimed primarily at economically crippling the Bagh-

See OIL, Page 10

Slack Demand Cuts Volvo's Profit 52%

Reuters

STOCKHOLM — Softer demand in Volvo AB's three main markets sent the automaker's first-half profit after financial items plummeting by 52 percent, to 2.05 billion kronor ($360 million), the company said Wednesday.

Christer Zetterberg, Volvo's president, said sales in the United States, Britain and Sweden "continue to be weak, resulting in tougher price competition and squeezed margins."

Revenue for the half fell to 44.60 billion kronor from 46.55 billion kronor a year earlier.

The results were largely in line with forecasts by analysts who said the company was not likely to improve in the second half. Volvo stock closed up 10 kronor at 325 before the results were announced.

"They are having a tough time with a simultaneous downturn in all their three main markets," said

Currency gains and strong domestic sales boosted Toyota's earnings 27 percent. Page 13.

Robert Mocatta, an auto analyst at County NatWest in London.

Mr. Mocatta had predicted a half-year profit of 2.2 billion kronor and said full-year profit was likely to drop to around 4 billion kronor from 6.65 billion last year.

Volvo, in line with its policy, did not provide a profit forecast.

Mr. Zetterberg said Sweden's high costs were a problem for Volvo. Swedish inflation is among the highest in Europe, running at 10.8 percent a year.

John Longhurst, an auto analyst at James Capel in London, agreed that the remainder of the year looked bleak.

"They are being squeezed all around," he said.

But Mr. Zetterberg said Volvo was taking strong measures to reduce costs and increase competitiveness.

"During 1990-1991 we intend to reduce the number of employees by about 5,000 people, primarily within the car division," he said. "We are also actively working on reducing sickness absenteeism and are beginning to see results." Volvo had 78,690 employees at the end of 1989.

Mr. Zetterberg said the company was also investing heavily in new products to strengthen and broaden competitiveness internationally.

"This year we are investing about 7 billion kronor only in the development of new products, which directly will burden the results," he said, without elaborating.

Mr. Mocatta said the results indicated that Volvo had been hard hit in both its core businesses, cars and trucks.

"The weaker dollar has hit them hard as they have high exposure on the U.S. market with a lot of income in dollars while at the same time they have high costs in Sweden," he said.

Operating profit dropped to 1.37 billion kronor from 3.45 billion.

Mr. Longhurst at James Capel said Volvo results were probably also hurt by payments to Sweden's Procordia AB, with which it merged its food and drug units earlier this year.

Left Short by Soviets, Cuba Imposes Fuel Cuts

Reuters

HAVANA — Cuba announced drastic nationwide fuel restrictions and energy-saving measures on Wednesday, citing a nearly two million ton shortfall in Soviet oil shipments and a surge in world oil prices due to the Gulf crisis.

In a package of cuts reported in the official newspaper Granma, the communist government halted the startup of a new oil refinery built with Soviet aid and said it would stop production at one of the country's three operating nickel plants.

The measures were the harshest so far introduced by the authorities to offset growing disruption of the island's economic lifeline from the Soviet Union, its main political ally and trading partner.

Granma said the country was moving towards a so-called "special period in time of peace" — the government's term to describe a siege economy.

"We have to be prepared for this," it said.

The journal even called on Cuban farmers to increase the use of draft animals instead of vehicles to pull carts and plows.

Daily distribution of diesel fuel and gasoline to state companies would be restricted immediately. Gasoline distributed to the state sector through coupons would be cut back by 50 percent for the rest of the year, the statement said. Gasoline supplies to private vehicles would be reduced by 30 percent from October.

Justifying the tough measures, the government said vital supplies from the Soviet Union, which account for more than 70 percent of Cuba's imports, had fallen increasingly behind schedule.

Soviet shipments to Cuba of crude oil and oil products, originally due to be 13.3 million tons in 1990 under a bilateral protocol, were nearly two million tons short so far this year.

The statement said industries, farms and the public must reduce electricity consumption as much as possible.

Granma said even more energy-saving measures might be necessary if oil shipments from the Soviet Union continued to fall behind because of economic problems there.

Granma said the oil refinery at Cienfuegos in south-central Cuba, the start-up of which had now been halted, had been built at heavy cost with Soviet assistance.

Equally costly had been the construction, also with Soviet help, of the Ernesto Che Guevara nickel plant in Moa in eastern Cuba, where initial limited production was now being suspended.

EC 'Green' Plan Urges Higher Energy Prices

Reuters

BRUSSELS — European Community officials next month will consider an environmental plan that would raise energy prices sharply, increase pollution-related taxes on cars and factories and impose new levies on items ranging from fertilizers to packaging.

The plan also calls for levies on chlorofluorocarbons, known as CFCs, and other ozone-destroying chemicals, scaled according to the amount of damage they do.

The proposals are included in a paper drafted by the European Commission's environment division before the Gulf crisis broke. They will be discussed briefly by the 17 members of the EC's executive body next week before environment ministers from the 12 community countries look at them in depth at a meeting in Rome on Sept. 22 and 23.

Italy, the EC president until the end of the year, is keen to make progress toward "greening" the community's tax systems.

The discussion paper suggests changes to discourage use of inefficient cars, such as increasing taxes on fuels or setting annual taxes on cars according to the pollution they produce.

In addition, the paper suggests the widescale use of deposit refund programs for bottles and other recyclable products, heavy landing fees for noisy aircraft and tradeable pollution permits for industry to tackle emissions of sulphur dioxide and nitrous oxide.

"The environmental problems related to the growing demand for energy and transport, the overuse of fertilizer or the growing production of waste are striking examples of the fact that at present market mechanisms provide, from an environmental point of view, wrong incentives," the paper says.

The paper calls for taxes on emissions from fossil fuels based on their potential for contributing to the so-called greenhouse effect.

It also argues for "a substantial but phased increase in energy prices over time" to stabilize output of carbon dioxide by the year 2000 and then cut emissions.

CURRENCY RATES

Cross Rates

Aug. 29

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7485	3.41	1.1266	0.3363	0.1526 *	—	5.489 *	1.2785	1.2148 *	1.5345	1.818 *
Brussels	31.8825	62.16	20.532	6.1275	2.78 *	18.225	—	24.9725	0.2217	27.9725	33.19 *
Frankfurt	1.5647	3.028	—	0.2984	0.1353 *	0.8876	4.871 *	1.2157	1.0795 *	1.3637	1.614 *
London (a)	1.9485	—	3.0398	10.149	2,340.50	3.4133	62.14	2.487	279.925	2.2178	187.38
Madrid	96.052	187.16	61.79	18.446	8.373 *	54.88	3.1107	75.13	66.775 *	84.38	—
Milan	1,148.18	2,237.98	738.98	220.70	—	656.71	36.829	898.85	7.975	1,007.70	11.95
New York (b)	—	1.9455 a	1.5691	5.226	1,155.00	1.7560	31.995	1.2903	143.42	1.1413	96.045
Paris	5.285	10.147	3.353	—	0.4532 *	2.9748	0.1632	4.0765	3.614 *	4.568	5.403 *
Tokyo	143.25	279.10	92.10	27.47	0.1247	81.75	4.4885	111.47	—	125.61	1.4914
Toronto	1.1408	2.2177	0.731	0.2182	0.986 *	0.6489	3.569 *	0.884	0.794 *	—	1.185 *
Zurich	1.2885	2.4944	0.8228	0.2457	0.1116 *	0.7389	4.0167 *	—	0.8892 *	1.1252	1.3332 *
1 ECU	1.2209	0.6844	2.0711	6.9433	1,531.32	2.3334	42.5247	1.7834	171.881	1.5186	128.161
1 SDR	1.3972	0.7152	2.1645	7.3465	1,598.58	2.4343	44.3071	1.7834	199.443	1.5941	133.725

Closings in London and Zurich, fixings in other centers; New York closing rates. Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	6180.2	Greek drac.	153.65	Mex. peso	2882.01	S. Afr. rand	2.54
Austral. $	1.2085	Hong Kong $	7.77	N. Zealand $	1.58404	Soviet ruble*	0.564
Austr. schil.	10.92	Indian rupee	17.331	Norw. krone	6.0145	Swed. krona	5.721
Brazil cruz.	72.00	Indo. rupiah	1858.01	Phil. peso	24.83	Taiwan $	26.89
Chinese yuan*	4.72	Irish £	0.5797	Port. escudo	137.10	Thai baht	25.51
Danish krone	5.933	Israeli shek.	1.95	Saudi riyal	3.70	Turkish lira	2691.39
Egypt. pound	2.7034	Malay. ring.	2.6875	Sing. $	1.762	UAE dirham	3.62
Fin. markka	3.658			S. Kor. won	715.00	Venez. boliv.	48.38

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9379	1.9265	1.9167	Canadian dollar	1.1432	1.1478	1.1519
Japanese yen	143.87	143.87	143.86	Swiss franc	1.2773	1.2767	1.2761
Deutsche mark	1.5528	1.5524	1.5519				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Aug. 29

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8-8⅛	8⅛-8¼	8¼-8⅜	14⅞-15	9 ⅝-9 ¾	7 ⅝-7 ¾	9 ⅝-9 ¾	8 ⅝
2 months	8 ⅛-8 ¼	8¼-8⅜	8 ⅞-8 ⅞	14⅞-15	9 ⅞-10 ⅛	8⅛-8¼	9 ⅞-10 ⅛	9
3 months	8 ⅛-8 ¼	8 ⅜-8 ½	8 ⅝-8 ¾	14⅞-15	10⅛-10¼	8 ⅛-8 ¼	10⅛-10¼	9⅛
6 months	8⅛-8¼	8⅝-8¾	8⅝-8¾	14 ¾-14 ⅞	10⅜-10½	8 ⅛-8 ¼	10 ⅜-10 ½	9¼
1 year	8¼-8⅜	8⅞-9	8 ⅝-8 ¾	14 ¾-14 ⅞	10½-10⅝	8 ⅛-8 ¼	10 ⅝-10 ¾	9 ⅝

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Aug. 29

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8.00	8.00
Com paper 90-179 days	7.65	7.62
3-month Treasury bills	7.46	7.46
6-month Treasury bills	7.42	7.46
1-year Treasury bills	7.38	7.37
30-year Treasury bond	8.94	9.05
3-month CD's	8.10	8.10
6-month CD's	8.10	8.10
Japan		
Discount rate	5¼	5¼
Call money	7 15/32	7 13/32
1-month interbank	8 1/32	8⅛
3-month interbank	N.A.	8 3/32
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	8.00	8.00
1-month interbank	8.20	8.20
3-month interbank	8.40	8.40
6-month interbank	8.70	8.70
Britain		
Bank base rate	15.00	15.00
Call money	14 15/16	15.00
3-month interbank	14 31/32	14 29/32
6-month interbank	14 13/16	14 13/16
France		
Intervention rate	9½	9½
Call money	9⅝	9 15/16
1-month interbank	9 15/16	9⅝
3-month interbank	10¼	10 3/16
6-month interbank	10 7/16	10 7/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Aug. 29

1 month	8 ⅛ - 8 ¼
2 months	8 ⅛ - 8 ¼
3 months	8 ⅛ - 8 ¼
6 months	8⅛ - 8¼
1 year	8 ⅛ - 8 ¼

Source: Reuters.

U.S. Money Market Funds

Aug. 29

Merrill Lynch Ready Assets 30-day average yield:	7.60
Telerate Interest Rate Index:	7.922

Source: Merrill Lynch, Telerate.

GOLD

Aug. 29

	A.M.	P.M.	Ch'ge
Hong Kong	387.50	387.50	— 3.55
Luxembourg	389.50	—	— 3.65
Paris (12.5 kilo)	388.97	389.61	— 2.26
Zurich	389.28	384.33	— 2.00
London	389.10	384.30	— 3.95
New York	—	385.75	+ 1.30

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

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MARKET DIARY

OIL: OPEC Agrees to Boost Output

(Continued from first finance page) dad regime of President Saddam Hussein and forcing him to pull his troops out of Kuwait.

A majority of 10 OPEC members supported the decision, which was engineered largely by Saudi Arabia and Venezuela.

Venezuela is expected to boost output by 600,000 barrels a day. Nigeria, Gabon and Ecuador also are expected to increase production immediately.

Even Iran and Libya, which rejected the voluntary agreement, are expected to raise output to cash in on the opportunity to sell more oil.

Neither Iraq nor Libya attended the meeting.

OPEC said its move was a "temporary arrangement," but it left open the possibility that prices, set in a July 1990 agreement at $21 a barrel, and production, set at 22.5 million barrels a day, may be raised to a new level after the crisis.

Wall Street Rallies

Stocks rallied in very light trading on the New York Stock Exchange, bolstered by the plunge in oil prices and signs that Iraq may be softening its stance in the Mideast crisis.

The Dow Jones industrial average had been up more than 23 points, but lost some of its gains in the last hour. The blue-chip index rose 3.22 points on Tuesday.

Among broader market gauges, the NYSE composite index rose 1.51 to 177.77. Standard & Poor's 500-stock index gained 2.85 to 324.19.

Advances outpaced declines by about a 9-5 margin. Big Board volume totaled 134.24 million shares,

N.Y. Stocks

up from 127.65 million on Tuesday.

Volume remained light as many players awaited Thursday's meeting between U.N. Secretary General Javier Pérez de Cuéllar and Foreign Minister Tariq Aziz of Iraq.

On the NYSE trading floor, Texas Utilities was the most active issue, down ⅛ to 33⅞.

Philip Morris followed, up ⅜ to 45⅜. Federal National Mortgage Association was third, down ⅜ to 30¼.

General Motors was also active, up ⅜ to 40⅝, extending Tuesday's rally, which was sparked by the United Auto Workers' selection of GM as its strike target in upcoming contract talks.

In the oil sector, Texaco rose ½ to 63¼ and Chevron added 1⅛ to 76¾, but Exxon was down ¼ to 49⅞.

Dollar Little Changed As Yen Shows Strength

Reuters

NEW YORK — The dollar ended narrowly mixed in quiet trading Wednesday, with the yen continuing to show strength, helped by falling oil prices and higher Japanese interest rates, traders said.

"There were two important factors today, yen strength and techni-

Foreign Exchange

cal trading of the dollar against other currencies," which led to rises against the Deutsche mark and Swiss franc, said William Arnold, chief dealer for Chemical Bank.

The dollar closed at 143.62 yen, down from Tuesday's finish of 143.77 yen. It was the lowest close since 142.96 yen on Jan. 29.

But the U.S. currency closed higher against the mark, rising to 1.5601 DM from 1.5559 DM on Tuesday, and against the Swiss franc, rising to 1.2903 francs from 1.2865.

The dollar rose against the French franc, climbing to 5.2260 from 5.2170.

Traders said they expected the yen to remain strong through the end of the week.

Speculation continued that the Bank of Japan would soon raise its discount rate from 5.25 percent.

The British pound edged higher Wednesday, ending at $1.9455, against $1.9430 on Tuesday.

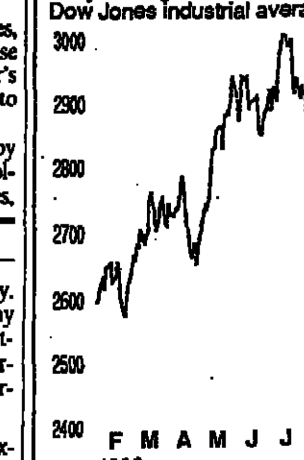
Earlier in London trading, the dollar closed slightly higher against most major currencies, as dealers awaited fresh developments in the Gulf.

The greenback rose to 1.5550 DM, up slightly from Tuesday's close of 1.5540 DM. It was also quoted at 143.70 yen, up from 143.20.

Via Associated Press Aug. 29

The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
TexUtil	38600	34¼	33⅝	33⅞	−⅛
Finlste	34745	29⅜	28½	28¾	+⅛
PhilMr s	23328	45⅝	44⅞	45⅜	+⅜
FtBkSy	21336	13¼	12¾	12⅞	−¼
FdNM s	16106	30⅝	29⅝	30¼	−⅜
AmExp	15381	24	23⅝	23⅞	+⅛
GnMotr	14851	41	40¼	40⅝	+⅜
Verity	13553	2⅜	2⅛	2⅛	−⅛
WalMt s	12499	29⅜	28⅞	29	+¼
GenEl	12470	63⅛	62⅛	62⅝	−¼
Boeing s	12242	49⅛	47⅞	48⅝	+⅞
BrMySq	12227	61⅜	59	60⅜	+1⅜
IBM	11447	104⅝	102¾	103⅞	+¼
McDonl	11294	27⅞	27⅛	27½	−⅛
AT&T	10920	33⅛	32⅝	32⅞	+⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BAT In	6564	10⅝	10⅛	10½	−¼
SNk 193wt	6512	16¼	15½	16	+½
PW Nk pwt	5151	7⅞	7	7½	+¼
SNk 93cwt	4481	3	2⅝	3	+¼
SolPhb n	3486	4⅛	3⅝	4	−⅛
SNk 193wt	3446	17¼	16⅝	17	+⅝
PW Nk cwt	3039	3⅜	3	3⅛	+⅛
Dk Nk wt	2808	17¼	16½	16⅞	+¼
EksNk wt	2478	7⅞	7¼	7⅝	
AirWat	2434	18	17⅝	18	
DWG	1905	5¾	4¾	5¾	+1
NY Tim	1801	19⅝	18¼	18¾	+⅜
DowC rt	1660	6⅞	6¼	6⅝	−⅛
Coron a	1588	5⅝	5⅜	5⅝	+¼
EchoBy	1482	13⅝	13⅛	13⅝	+⅛

NYSE Diary

	Close	Prev.
Advanced	974	837
Declined	509	664
Unchanged	509	492
Total Issues	1992	1993
New Highs	3	3
New Lows	49	66

Amex Diary

	Close	Prev.
Advanced	353	312
Declined	221	234
Unchanged	217	236
Total Issues	791	782
New Highs	2	3
New Lows	29	29

NASDAQ Diary

	Close	Prev.
Advanced	987	1,045
Declined	887	855
Unchanged	2,400	2,373
Total Issues	4,274	4,273

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2608.66	2651.24	2596.53	2632.43	+ 17.58
Trans	898.91	917.52	893.61	911.13	+ 11.31
Util	193.60	196.68	192.97	195.61	+ 2.01
Comp	900.19	915.87	895.92	909.66	+ 8.01

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	386.55	380.81	384.45	+2.87
Transp.	233.57	229.11	232.47	+2.87
Utilities	128.89	126.19	128.39	+2.28
Finance	24.09	23.75	24.01	+0.22
SP 500	325.83	320.87	324.19	+2.85
SP 100	309.92	305.12	308.51	+2.39

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	178.44	176.15	177.78	+1.52
Industrials	223.96	221.33	223.04	+1.76
Transp.	142.21	139.93	141.78	+2.02
Utilities	83.39	82.27	83.18	+1.02
Finance	124.71	123.52	124.42	+0.82

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	381.78	−1.08	374.84	435.91
Industrials	409.26	−1.45	396.98	470.38
Finance	383.58	+1.51	382.75	417.59
Insurance	446.34	+0.25	441.59	490.97
Utilities	497.81	−7.19	502.98	601.90
Banks	286.47	+2.57	284.84	315.83
Transp.	419.20	−0.04	419.83	482.44

AMEX Stock Index

High	Low	Close	Ch'ge
324.28	321.72	324.23	+2.45

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	89.22	−0.08
10 Utilities	89.79	−0.17
10 Industrials	88.65	Unch

Market Sales

NYSE 4 p.m. volume	134,240,000
NYSE prev. cons. close	157,698,910
Amex 4 p.m. volume	11,670,000
Amex prev. cons. close	10,280,000
NASDAQ 4 p.m. volume	118,069,100
NASDAQ prev. 4 p.m. volume	117,802,200
NYSE volume up	84,034,100
NYSE volume down	34,027,300
Amex volume up	6,929,990
Amex volume down	2,950,490
NASDAQ volume up	35,451,002
NASDAQ volume down	60,418,058

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Sh'rt*
Aug. 28	451,627	473,059	68,279
Aug. 27	544,318	429,990	5,452
Aug. 24	507,562	731,953	36,179
Aug. 23	495,820	865,245	58,360
Aug. 22	417,707	608,424	30,311

*Included in the sales figures

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1799.00	1801.00	1803.00	1805.00
Forward	1820.00	1821.00	1822.00	1823.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1513.00	1515.00	1532.00	1534.00
Forward	1483.00	1484.00	1501.00	1502.00
LEAD Sterling per metric ton				
Spot	459.00	461.00	449.00	451.00
Forward	464.00	464.50	456.50	457.00
NICKEL Dollars per metric ton				
Spot	11100.00	11200.00	10875.00	10925.00
Forward	10925.00	10950.00	10725.00	10750.00
TIN Dollars per metric ton				
Spot	5930.00	5950.00	5965.00	5975.00
Forward	6050.00	6045.00	6085.00	6090.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1650.00	1655.00	1650.00	1655.00
Forward	1542.00	1543.00	1542.00	1545.00

Currency Options

Aug. 29

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Sep	Oct	Dec	Puts—Last Sep	Oct	Dec
50,000 Australian Dollars-cents per unit.							
Dollr	70	r	s	12.9	r	s	r
83.04	80	r	r	r	0.10	0.32	r
83.04	81	r	r	r	0.22	r	1.30
83.04	82	r	r	r	0.50	r	r
83.04	83	r	r	r	0.69	r	r
83.04	84	r	0.74	r	r	r	r
83.04	85	0.22	r	0.82	r	r	
500,000 Australian Dollars-European Style.							
83.04	73	r	r	0.88	r	r	
83.04	81	2.02	r	r	r	0.65	r
83.04	83	0.74	0.98	r	r	r	r
83.04	84	r	0.70	r	r	r	
31,250 British Pounds-cents per unit.							
Pound	197½	r	1.47	2.65	r	r	r
194.94	185	r	9.60	r	0.15	r	r
194.94	187½	r	r	r	0.30	1.20	r
194.94	190	4.60	r	6.08	0.60	1.83	4.15
194.94	192½	r	r	r	1.17	2.85	5.50
194.94	195	1.43	2.46	r	r	r	6.80
50,000 Canadian Dollars-cents per unit.							
Dollr	85	r	r	r	r	r	0.45
87.58	85½	r	r	r	0.03	r	r
87.58	86	r	r	r	0.06	r	0.75
87.58	86½	r	r	r	0.11	0.42	1.00
87.58	87	r	0.95	r	0.21	0.61	1.18
87.58	87½	r	r	r	0.86		
62,500 West German Marks-cents per unit.							
Mark	56	8.22	r	r	r	r	r
64.28	60	4.24	r	r	0.01	r	r
64.28	62	2.40	r	2.91	0.06	r	0.71
64.28	62½	r	s	s	0.11	s	
64.28	63	1.55	r	2.29	0.22	0.54	1.00
64.28	63½	1.11	s	s	r	s	
64.28	64	0.78	1.15	1.72	0.47	0.83	1.42
64.28	65	r	0.72	1.28	1.20	1.50	r
64.28	65½	0.28	r	s	r	r	
64.28	66	0.12	0.40	0.88	r	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	67	2.58	r	3.08	r	0.23	0.55
69.70	68	1.87	r	2.40	0.14	0.44	r
69.70	68½	r	s	s	0.25	s	
69.70	69	1.80	1.28	r	r	r	r
69.70	69½	0.88	s	s	0.59	s	
69.70	70	0.45	0.77	1.24	0.94	r	r
69.70	70½	0.31	s	s	r	s	
69.70	71	0.17	0.46	0.90	r	r	r
69.70	72	r	0.28	0.63	r	r	r
69.70	74	r	r	0.28	r	r	r
69.70	77	r	r	0.11	r	r	
62,500 Swiss Francs-cents per unit.							
Franc	74	r	r	4.42	r	0.26	r
77.86	75	r	r	r	r	r	0.93
77.86	77	r	r	r	0.42	0.89	1.65
77.86	77½	1.18	1.53	s	0.45	1.34	
77.86	78	0.85	r	1.98	r	r	2.14
77.86	79	0.67	1.06	r	r	r	2.74
77.86	80	r	0.78	r	r	r	r
77.86	81	r	0.44	0.91	r	r	
622,500 Swiss Francs-European Style.							
77.86	72	r	r	6.03	r	r	r
77.86	76½	r	r	s	0.29	r	
77.86	78	r	r	1.93	r	r	

Total call vol. 7,433 349,362
Total put vol. 10,749 397,427
r—Not traded. s—No option offered.
Last is premium (purchase price).

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.765	0.785
Coffee, lb	0.85	0.85
Copper electrolytic, lb	1.412	1.412
Iron FOB, ton	213.00	213.00
Lead, lb	0.50	0.50
Silver, troy oz	4.81	4.81
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	108.00	108.00
Tin, lb	3.8558	3.8703
Zinc, lb	0.7926	0.7926

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European Commodities

Aug. 29

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR U.S. Dollars per metric ton						
Oct	248.20	248.40	258.00	246.20	258.40	258.60
Dec	241.00	249.00	255.00	248.00	251.00	257.00
Mar	239.60	240.00	248.20	239.00	249.00	249.20
May	240.00	241.20	248.20	241.00	249.00	249.40
Aug	241.20	243.00	250.00	250.00	251.60	252.00
Oct	242.00	243.00	250.00	250.00	251.40	252.00
Dec	223.00	243.00	245.00	245.00	232.60	252.80
Volume: 2,672 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Sep	679	681	690	671	691	692
Dec	722	724	735	718	736	737
Mar	756	757	765	748	765	766
May	778	779	786	778	783	785
Jul	797	799	805	790	805	806
Sep	814	818	824	815	822	826
Dec	840	843	N.T.	N.T.	848	850
Volume: 4,648 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Sep	560	563	578	560	571	572
Nov	592	593	604	591	596	597
Jan	613	615	623	613	616	617
Mar	622	624	629	624	624	625
May	639	641	643	640	639	641
Jul	650	656	668	660	654	659
Sep	675	678	N.T.	N.T.	678	684
Volume: 6,724 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Sep	225.00	225.50	242.50	220.00	241.25	241.75
Oct	225.50	226.00	243.00	223.00	N.A.	242.25
Nov	225.50	226.00	241.00	224.00	N.A.	243.25
Dec	225.00	N.A.	236.50	222.00	242.00	N.A.
Jan	N.A.	N.A.	233.00	215.00	N.A.	237.00
Feb	N.A.	208.00	226.00	200.00	238.00	N.A.
Mar	170.00	180.00	178.00	170.00	216.00	217.00
Apl	180.00	190.00	195.00	180.00	209.00	N.A.
May	195.00	205.00	N.T.	N.T.	206.50	215.50
Volume: 10,749 lots of 100 tons.						

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Oct	1,678	1,645	1,655	1,660	−37
Dec	1,650	1,649	1,655	1,655	−52
Mar	1,665	1,645	1,450	1,460	−31
May	N.T.	N.T.	1,455	1,465	−28
Aug	N.T.	N.T.	1,480	1,710	−25
Oct	N.T.	N.T.	1,440	1,450	−25

Est. vol.: 909 lots of 50 tons. Prev. actual sales: 494 lots. Open interest: 16,021.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Gap Inc	Q	.25	9-17	9-7
Westvaco Corp	Q	.26¼	10-1	9-12
OMITTED				
Reece Corp				
STOCK				
Citizens Utils cl-A&B	-	1.33	9-28	9-10
STOCK SPLIT				
Gap Inc — 2-for-1				
Helst (CH) Corp — 5-for-4				
USUAL				
ACM Govt Spectrum	M	.0845	9-21	9-7
Allstate Mcpl IOT	M	.07	9-21	9-7
Allstate Mcpl IOT III	M	.04½	9-21	9-7
Allstate Mcpl PIT	M	.05¼	9-21	9-7
Avondale Industries	Q	.23	9-27	9-12
Banco Popular PR	Q	.28	10-1	9-14
Berkshire Gas Co	Q	.32	10-15	9-30
Bohemia Inc	Q	.05	9-25	9-10
Brunswick Corp	Q	.11	11-15	10-25
ColMat Co	Q	.16	10-2	9-7
Cohassel Svgs Bank	Q	.06	10-1	9-14
Comerica Incorp	Q	.45	10-1	9-15
DQE Inc	Q	.34	10-1	9-10
Foothill Group Inc A	Q	.07	10-19	9-21
Gannett Co	Q	.30	10-1	9-14
GBC Bancorp	Q	.08	10-15	9-30
Ivey Properties Inc	Q	.18	10-1	9-14
Maine Public Svc	Q	.42	10-1	9-14
Natl Computer Sys	Q	.07	9-18	9-7
New England Elec	Q	.51	10-1	9-10
Perkin-Elmer Corp	Q	.17	10-1	9-3
Piedmont Nat Gas	Q	.42	10-15	9-24
Security Bancorp	Q	.23	10-1	9-17
Tambrands Inc	Q	.54	9-15	9-7
United Fedl Bancorp	Q	.09	9-28	9-12

A-Annual; M-Monthly; Q-Quarterly; S-Semi-Annual

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U.S./AT THE CLOSE

Flat Economic Indicators Show Widespread Weakness in U.S.

The Associated Press

WASHINGTON — The U.S. government said Wednesday that its main forecasting gauge of future economic activity was flat in July, indicating widespread weakness in the U.S. economy even before the Gulf crisis increased the chances of a recession.

The Commerce Department said the lack of any change in the Index of Leading Economic Indicators followed revised gains of 0.1 percent in June and 0.6 percent in May.

But analysts said they expected a steep drop in August because of the oil price increases and consumer jitters spurred by fears of war.

Typically, three consecutive declines in the index are viewed as a fairly reliable, although not infallible, signal that the economy is headed for a recession.

The White House said the July index suggested the economy was growing slowly, in line with growth in the first half of the year.

Merrill Lynch Junk Bond Chiefs Quit

NEW YORK (Reuters) — Merrill Lynch & Co. said Wednesday that two senior executives who headed its junk bond business had resigned after being removed from managing the business two months ago.

A Merrill Lynch spokesman confirmed that Raymond Minella and Jeffrey Berenson, who pioneered the firm's entry into the high-risk, high-yield debt business in the 1980s, had told their superiors Monday that they were resigning.

Tax Seen Reducing Stock Prices

CHICAGO (Reuters) — A proposed tax on securities transactions under review by federal budget negotiators would drop the average price of a stock traded on the New York Stock Exchange by 13.8 percent, according to a study by a Chicago think tank.

The tax is one of two that budget negotiators asked the Joint Committee on Taxation to review.

Kodak to Unveil New Photo System

ROCHESTER, New York (Reuters) — Eastman Kodak Co. on Wednesday scheduled news conferences for Sept. 18 in New York, Tokyo and London to introduce "a new photographic system designed to increase the use and enjoyment of pictures."

Analysts speculated that Kodak may be introducing devices or methods to electronically manipulate conventional photographs.

AT&T Deals For World Expansion

NEW YORK (Reuters) — AT&T Corp. said Wednesday it had reached three separate custom communications network agreements with ITT Corp., Caterpillar Inc. and Textron Inc.

A $37.3 million contract with ITT will provide customized voice and data communications and a $25 million contract with Caterpillar will provide a worldwide custom communications network.

ATT said its Textron agreement would provide inbound and outbound voice and data communications for about 500 Textron locations in 40 states.

For the Record

Bethlehem Steel Corp. said Wednesday that it would eliminate 40 percent of its 140 customer-service jobs as part of a consolidation of its customer service and marketing organizations. *(Reuters)*

Deak International Inc. said Wednesday it had been acquired by Midland Bank PLC's wholly-owned Thomas Cook Group for an undisclosed price. Deak, the leading U.S. foreign exchange operation, operates a network of over 1,600 offices in 120 countries. *(Reuters)*

Mieno Denies Bank of Japan Plans to Raise Discount Rate

Compiled by Our Staff From Dispatches

TOKYO — The Bank of Japan governor, Yasushi Mieno, said Wednesday the central bank was not discussing a discount-rate increase with the Finance Ministry, despite concerns about the potential inflationary impact of higher oil prices.

The denial followed reports that the central bank planned to raise the discount rate, charged on loans to financial institutions, by as much as one percentage point late this week or early next month. The rate currently stands at 5.25 percent.

The reports sent Japanese stock prices tumbling on Wednesday. The Nikkei index of 225 issues, which gained nearly 2,000 points in the previous three session, plunged 815.97 points, or 3.17 percent, to close at 24,894.79.

Finance Minister Ryutaro Hashimoto also was quoted as questioning the advisability of a hike in the discount rate given the situation in the Middle East.

The Nikkei Quick, an affiliate of the newspaper Nihon Keizai Shimbun, quoted Mr. Hashimoto as telling reporters he doubts Japan would be able to obtain support from other countries for an increase in the discount rate now.

The newspaper Asahi Shimbun reported the central bank was considering boosting its key lending rate by 0.75 to 1.0 percentage point to stem inflationary pressures caused by the recent rise in oil prices. It said a decision could be made after Mr. Hashimoto returns from a nine-day trip to Europe on Sept. 7.

"Prices remain stable at the present time, but higher oil prices are a new factor in the situation, which must be watched closely," Mr. Mieno said.

(AP, AFP, Reuters)

WORLD STOCK MARKETS

Agence France Presse Aug. 29

Amsterdam

	Close	Prev.
ABN Bank	35.40	34.20
CF Holding	34.20	33.50
Aegon	118.50	117.50
Ahold	123.80	124.50
Akzo	94.70	94.40
AMEV	50.60	50.30
A'Dam Rubber	4.70	4.85
Amro Bank	72	69.40
Bols	179.50	176.50
Buhrmann Tett	63.10	61
BVG	N.Q.	—
Center Parcs	64.50	65
CSM	80.30	80.10
DAF	24.10	24.90
DSM	96.40	96.40
Elsevier	82.30	84.70
Fokker	44	43.90
Gist-Brocades	26.10	26.10
Heineken	117	118.70
Hoogovens	61.80	62.20
Hunter Douglas	64.10	64
IHC Caland	54.10	54.50
Inter Mueller	60	59.70
KLM	24.60	24.50
KNP	42.50	43
Nat Neder	58.30	58.90
Nedlloyd	51.50	52.50
NMB Postbank	43.30	43.30
Oce Grinten	44.70	45
Pakhoed	194.30	191
Philips	24.30	24.80
Robeco	89.40	89.70
Rodamco	74.80	74.50
Rolinco	86.40	87.20
Rorento	59.10	59
Royal Dutch	142.90	139.50
Unilever	141.20	142.30
Van Ommeren	37.50	37.70
VMF Stork	48.40	49
VNU	84.30	86.70
Wessanen	59.80	60
Wolters/Kluwer	48	47.20

CBS Gen'l trend index : 182.20
Previous : 182.50

Brussels

	Close	Prev.
AG Fin	8350	8400
Arbed	4100	4170
Barco	1870	1820
Bekaert	10425	10400
Cockerill	163	161
Cobepa	5140	5150
Delhaize	5990	5930
EBES	3960	3920
GB-Inno-BM	1336	1328
GBL	3565	N.Q.
Gevaert	8000	7750
Hoboken	16175	16000
Intercom	190.50	191.25
Kredietbank	3550	3550
Petrofina	10775	10650
Royal Belge	4900	4901
Soc Gen Banque	4500	4500
Soc Gen Belgique	2750	2775
Sofina	11200	11525
Solvay	11250	11300
Tractebel	3890	3870
UCB	22100	21900
Unerg Ps	2150	2150

Current Stock Index : 5606.15
Previous : 5631.73

Frankfurt

	Close	Prev.
AEG	250.50	251.50
Allianz Hold	2605	2575
Altana	487.90	485
Asko	923	884.60
BASF	238.20	243
Bayer	244.50	246
Bay. Hypo bank	365	359
Bay Vereinsbk	377	375
BBC	800	800
BHF Bank	402	402
BMW	487	479
Commerzbank	263	259.30
Continental	303	300
Daimler Benz	703	686
Degussa	362.50	362
Dt Babcock	157	163.50
Deutsche Bank	693.50	680
Douglas	808	788
Dresdner Bank	409	404
Feldmuehle	504.50	504
Harpener	470	463
Henkel	603.50	608
Hochtief	1146	1160
Hoechst	238.10	239.50
Hoesch	268.50	260.50
Holzmann	1340	1310
Horten	238	227
IWKA	306	303
Kali Salz	185	187.50
Karstadt	677	664
Kaufhof	575	572.50
KHD	239	231
Kloeckner Werke	151	150
Krupp Stahl	272	270
Linde	861	870
Lufthansa	130.50	131.50
MAN	367	359
Mannesmann	285	277.50
Metallgesell	568	567
Muench Rueck	2400	2420
Nixdorf	304	304.50
PKI	521	519.50
Porsche	935	925
Preussag	319.10	319.80
PWA	257	246
RWE	415	403
Rheinmetall	335	335
Schering	665.50	667.50
SEL	370	358
Siemens	630	618.60
Thyssen	237.60	236.50
Varta	312	315
Veba	355	351.50
VEW	219	218
Viag	347	339
Volkswagen	493	478.40
Wella	699.50	700.50

DAX Index : 1637.66
Previous : 1617.85
FAZ Index : 591.78
Previous : 589.58

Helsinki

	Close	Prev.
Amer A	105	105
Enso-Gutzeit	25	25
K.O.P.	36	36
Kymmene	75.50	75.50
Nokia	75	77
Pohjola	136	136
Stockmann	190	180
United Papers	145	146
Wartsila	370	370

Unitas index : 518.50
Previous : 528.50

Hong Kong

	Close	Prev.
Bk East Asia	13.70	13.90
Cathay Pacific	8.10	8.45
Cavendish Int'l	3.63	3.68
Cheung Kong	11.70	11.90
China Light Pwr	13.80	13.90
Dairy Farm Int'l	9.20	9.35
Hang Lung Dev	5.05	5.20
Hang Seng Bank	20	20.30
Henderson Land	8.10	8.20
HK Air Eng.	16.20	17.30
HK China Gas	10.50	10.80
HK Electric	8.75	8.85
HK Land	7.55	7.75
HK Realty Trust	4.55	4.58
HK Shang Bank	5.35	5.65
HK Shang Htls	4.05	4.05
HK Telecomm	6	6.05
HK Ferry	3.95	4
Hutch Whampoa	10.80	11.10
Hysan Dev	1.15	1.16
Jardine Math.	30.75	31.50
Jardine Str Hld	15.60	16
Kowloon Motor	5.80	5.90
Mandarin Orient	5	5
Miramar Hotel	5.45	5.55
New World Dev	9.55	9.70
SHK Props	13.80	13.90
Stelux	3.03	3.20
Swire Pac A	17.20	17.60
Tai Cheung Prps	3.58	3.60
TVE	0.99	1.01
Wharf Hold	8.10	8.25
Wing On Co	6.10	6.20
Winsor Ind.	7.80	7.90
World Int'l	4.13	4.20

Hang Seng Index : 3015.95
Previous : 3078.94

Johannesburg

	Close	Prev.
AECI	14	14
Altech	69	66.50
Anglo Amer	107.50	106.50
Barlows	35.25	34.25
Blyvoor	15	14.25
Buffels	58	58
GFSA	75	71.50
Harmony	36	35
Highveld Steel	12.25	12
Kloof	37.50	36.75
Nedbank Grp	11	10.75
Rusplat	73.50	72
SA Brews	39	39.50
St Helena	38	38
Sasol	14.50	14.20
Welkom	26.50	27
Western Deep	143	140

Composite Stock Index : 2766
Previous : 2985

London

	Close	Prev.
Allied Lyons	4.73	4.68
Anglo Am Gld	43.88	43.94
AA Corp	14.16	13.94
Asda-MFI Gp	1.11	1.13
Ass Brit Foods	4.10	4.10
Barclays	3.55	3.53
Bass	10.52	10.45
B.A.T.	5.30	5.32
Blue Circle	2.05	2.03
BOC Group	4.87	4.90
Boots	2.93	2.92
Bowater	4.83	4.85
BAe	5.20	5.19
BAA	3.92	3.90
Brit Airways	1.67	1.68
British Gas	2.09	2.09
BP	3.47	3.48
British Steel	1.23	1.24
Brit Telecom	2.77	2.77
BTR	3.65	3.64
Burmah Oil	5.24	5.25
Cable Wire	4.59	4.48
Cadbury Sch	3.27	3.17
Charter Cons	3.95	3.97
Comm Union	4.50	4.52
Cookson	1.30	1.36
Courtaulds	3.09	3.07
Dalgety	3.36	3.40
De Beers	N.Q.	—
Dixons	1.38	1.38
Driefontein	6.38	6.16
Eurotunnel	4.53	4.63
Fisons	3.46	3.48
Gen Acc F	4.58	4.70
GEC	1.85	1.87
GKN	3.35	3.32
Glaxo	7.22	7.26
Grand Met	5.48	5.55
GI Univ Stores	13.60	13.63
GRE	1.97	2
Guinness	6.77	6.70
Hanson Tr	2.08	2.04
Hawker Sidd	4.70	4.70
ICI	9.02	8.98
Kingfisher	3.35	3.30
Land Sec	4.78	4.84
Legal Gen Grp	3.76	3.78
Lloyds Bank	2.82	2.87
Lonrho	2.41	2.44
Lucas Ind	1.31	1.35
Marks Sp	2.34	2.29
Maxwell	1.67	1.69
MB Group	1.78	1.80
Midland Bk	2.55	2.58
NatWest	2.77	2.83
Pearson Grp	6.95	6.98
P and O	5.52	5.52
Pilkington	1.62	1.69
Prudential	2.05	2.07
Racal Elec	1.60	1.61
Randfontein	2.70	2.56
Rank Org	6.40	6.33
Reed Int'l	3.80	3.85
Reuters	8.53	8.70
Rolls Royce	1.83	1.80
Royal Dutch	41.88	40.94
RTZ	4.66	4.77
Saatchi	0.66	0.60
Sainsbury	2.98	3
Sears Holds	0.92	0.93
Shell	4.67	4.60
Skbeec	5.04	5.04
STC	2.40	2.40
Std Chart Bk	3.60	3.66
Storehouse	1.29	1.26
Sun Alliance	2.96	3
Tate and Lyle	2.55	2.65
Tesco	2.28	2.24
Thorn EMI	6.55	6.53
T.I. Group	4.38	4.35
Trafalgar Hse	2.17	2.25
THF	2.53	2.52
Ultramar	3.45	3.40
Unilever	6.25	6.35
Utd Biscuits	3.16	3.19
Vickers	2.24	2.22
War Loan 3½	31.19	31.19
Wellcome	4.40	4.35
Woolworth	13.13	13.56

F.T. 30 Index : 1655.70
Previous : 1658
F.T.S.E. 100 Index : 2125.70
Previous : 2126.10

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3050	3040
Banco Central	4850	4860
Bco. Santander	4485	4380
Banesto	3800	3800
CEPSA	1975	1985
Dragados	2355	2470
Iberduero	590	600
Telefonica	830	835

S.E. General Index : 253.74
Previous : 255.76

Milan

	Close	Prev.
Banca Comm	5300	5287
Bastogi	275	278
Cigahotels	4402	4483
CIR	3730	3810
Cred Ital	2660	2640
Enimont	1148	1162
Eridania	8680	8725
Ferruzzi Fin.	2372	2370
Ferruzzi Agr.	2075	2075
Fiat SPA	6990	6940
Generali	38550	38300
IFI	18250	18450
Italcem	21900	21825
Italgas	2840	2840
Italmobiliare	20320	20400
Mediobanca	17130	16950
Montedison	1434	1440
Olivetti	4670	4680
Pirelli	1870	1890
RAS	22400	22300
Rinascente	6990	6974
Saipem	2395	2387
SIP	1420	1420
SME	4095	4000
Snia	1740	1789
Standa	28500	28600
Stet	2320	2310
Toro Assi Risp	23000	23000

a: x 100.
MIB current index : 898.48
Previous : 906.50

Montreal

	Close	Prev.
Alcan Aluminum	24⅛	24½
Bank Montreal	25⅝	25¼
Bell Canada	37	36⅝
Bombardier A	17⅜	N.Q.
Bombardier B	17⅜	17⅝
Cambior	14	14
Cascades	3.55	N.Q.
Dominion Text A	10¼	10
Donohue	N.Q.	—
MacMillan Bl	16¼	16⅛
Memotec	8¼	8⅜
Natl Bk Canada	9	9
Noverco	N.Q.	—
Power Corp.	14⅝	14¾
Provigo	8⅝	8⅝
Quebec Tel	N.Q.	14¼
Quebecor A	N.Q.	—
Quebecor B	10⅝	10⅝
Videotron	9⅝	9¾

Industrials index : 1453.48
Previous : 1464.36

Paris

	Close	Prev.
Accor	838	842
Air Liquide	704	693
Avions Dassault	540	515
Bancaire (Cie)	442	440
BIC	580	580
Bongrain	2948	2950
Bouygues	507	498
BSN-GD	821	812
Carrefour	3351	3350
Cerus	234	239
C.G.E.	557	537
Chargeurs	816	816
Club Med	481	469
Dumez	670	666
Elf-Aquitaine	655	654
Europe 1	1042	1049
Gen. Eaux	2303	2295
Hachette	226.10	235
Havas	532	532
Imetal	285	286.50
Lafarge Coppee	389.20	378
Legrand	3870	3876
Oreal (L')	505	492.90
L.V.M.H.	3450	3380
Matra	281	283
Merlin Gerin	546	539
Michelin B	79.80	79
Moulinex	90	90
Occidentale	610	607
Paribas	477.50	474.50
Pernod-Ricard	1070	1069
Perrier	1346	1340
Peugeot	598	577
Printemps (Au)	560	564
Radiotechnique	505	505
Raff. St. Louis	1230	1185
Redoute (La)	2700	2800
Roussel Uclaf	2005	2010
Saint Gobain	422	418
Sanofi	830	850
S.E.B.	1110	1170
Skis Rossignol	987	994
Ste Generale A	466.90	461.20
Suez	347.50	345
Telemecanique	4546	4545
Thomson-CSF	95.10	92.50
Total	640	660
Valeo	396	409

CAC 40 Index : 1698.64
Previous : 1688.58

Sao Paulo

	Close	Prev.
Banco do Brasil	19.30	19.10
Bradesco	1.63	1.68
Brahma	7	7.20
Paranapanema	1.50	1.52
Petrobras	184	167
Vale Rio Doce	35.50	35.80
Varig	17.40	17.50

Bovespa index : 26794
Previous : 27146

Singapore

	Close	Prev.
City Dev.	2.98	3.02
DBS	10	10
Fraser Neave	7.35	7.45
Genting	10	10.10
Harrisons Plant	1.33	1.35
How Par	2.28	2.29
Hume	3.64	3.70
Inchcape	4.30	4.32
Keppel	5.90	5.80
KL Kepong	2.50	2.50
Lum Chang	1.08	1.10
Malayan Banking	7.90	8.15
OCBC	7.60	7.80
OUB	4.26	4.36
OUE	6.35	6.45
Sembawang	5.70	5.40
Shangrila	6.30	6.45
Sime Darby	2.66	2.69
SIA	10.90	10.90
S'pore Land	11.90	12.10
S'pore Press	8.95	8.95
Sing Steamship	3	3.02
Straits Trading	2.68	2.65
UOB	5.45	5.45
United Overseas	1.52	1.51

Straits Times Ind. : 1214.45
Previous : 1217.41

Stockholm

	Close	Prev.
AGA	300	300
Alfa Laval	230	230
Asea	675	675
Astra-A	506	488
Atlas Copco	N.Q.	—
Electrolux B	184	185
Ericsson	1180	1145
Esselte-A	220	220
Handelsbanken	127	126
Pharmacia-A	223	223
Norsk Hydro	224.50	221.50
Saab-Scania	280	275
Sandvik	280	284
SCA-A	114	118
S-E. Banken	80	79
Skandia F	172	169
Skanska	440	435
SKF	122	121
Stora	300	300
Trelleborg B	151	150
Volvo	325	315

Affaersvaerlden : 1156.70
Previous : 1118.80

Sydney

	Close	Prev.
ANZ	4.65	4.68
BHP	11	11.05
Bond	N.Q.	—
Boral	3.26	3.30
Bougainville	1.20	1.20
Coles Myer	7.60	7.44
Comalco	4.05	4
CRA	10.70	10.70
CSR	4.87	4.85
Dunlop	4.88	4.89
Elders IXL	1.50	1.48
ICI Australia	4.25	4.15
Magellan	1.85	1.88
MIM	2.18	2.22
Nat Aust Bank	6.60	6.68
News Corp	11	11
N Broken Hill	2.16	2.14
Poseidon	2.15	2.10
QCT Resources	1.40	1.38
Santos	5	5.02
TNT	2	1.97
Western Mining	4.98	5.08
Westpac Banking	4.73	4.75
Woodside	3.13	3.08

All ordinaries index : 1486.80
Previous : 1491.80

Tokyo

	Close	Prev.
Akai Electr	650	659
Asahi Chemical	784	770
Asahi Glass	1310	1400
Bank of Tokyo	1150	1190
Bridgestone	1200	1250
Canon	1660	1730
Casio	1230	1270
C.Itoh	683	705
Dai Nippon Print	1520	1610
Daiwa House	1960	2080
Daiwa Securities	1100	1110
Fanuc	5800	6000
Fuji Bank	2250	2310
Fuji Photo	3940	4060
Fujitsu	1270	1300
Hitachi	1350	1390
Hitachi Cable	890	930
Honda	1530	1540
Ito Yokado	3468	3550
Japan Air Lines	N.A.	—
Kajima	1440	1500
Kansai Power	2770	2770
Kawasaki Steel	490	497
Kirin Brewery	1470	1530
Komatsu	1060	1060
Kubota	700	707
Kyocera	7530	7700
Matsu Elec Inds	1830	1850
Matsu Elec Wks	1730	1750
Mitsubishi Bk	1850	1910
Mitsubishi Kasei	550	555
Mitsubishi Elec	840	875
Mitsubishi Hev	815	840
Mitsubishi Corp	1270	1300
Mitsui and Co	700	723
Mitsukoshi	1310	1360
Mitsumi	1930	2020
NEC	1750	1800
NGK Insulators	1100	1140
Nikko Securities	900	950
Nippon Kogaku	1300	1330
Nippon Oil	1070	1070
Nippon Steel	504	513
Nippon Yusen	620	633
Nissan	866	900
Nomura Sec	1710	1790
NTT (SF)	8057	8244
Olympus Optical	1260	1320
Pioneer	5190	5320
Ricoh	890	895
Sanyo Elec	736	738
Sharp	1440	1460
Shimazu	901	915
Shinetsu Chem	1440	1420
Sony	7260	7550
Sumitomo Bk	1910	1960
Sumitomo Chem	506	518
Sumi Marine	801	835
Sumitomo Metal	480	492
Taisei Corp	1050	1090
Taisho Marine	775	818
Takeda Chem	1460	1440
TDK	6060	6200
Teijin	575	590
Tokyo Marine	1120	1170
Tokyo Elec Pw	3450	3490
Toppan Printing	1410	1470
Toray Ind.	665	670
Toshiba	955	997
Toyota	2000	2030
Yamaichi Sec	960	951

Nikkei 225 : 24895
Previous : 25711
Topix index : 1911
Previous : 1948

Toronto

	Close	Prev.
Abitibi Price	15⅝	15⅝
Agnico Eagle	7⅝	7⅞
Air Canada	8⅝	8⅝
Alberta Energy	18⅜	18⅜
Am Barrick Res	24⅝	24½
BCE	37	36⅞
BCED	0.23	0¼
Bk Nova Scotia	13⅝	13¾
BC Gas	15	15
BC Phone	17⅝	17½
BP Canada	19⅝	19½
Bramalea	9⅝	9½
Brunswick	9⅝	N.Q.
CAE	6⅝	6⅝
Campeau	1.43	1.46
CIBC	24½	24½
Canadian Pacific	18⅝	18⅝
Can Packers	9⅝	9⅝
Can Tire A	20⅝	20⅜
Cantor	23⅛	23⅝
Cara	16	16
CCL Ind B	9⅝	8⅞
Cineplex	3½	3.30
Cominco	23⅝	23⅝
Conwest Expl A	N.Q.	—
Corona A	6⅝	6⅝
Denison Min B	1.20	1.18
Dickenson Min A	N.Q.	4.85
Dofasco	21	21⅝
Dylex A	N.Q.	4.15
Echo Bay Mines	15⅛	15
Equity Silver A	1.33	1.40
FCA Intl	10½	10½
Fed Ind A	10⅝	10⅝
Fletcher Chall A	15⅛	15⅛
FPI	N.Q.	—
GoldCorp	4⅝	4.60
Gulf Cda Res	15⅝	15⅝
Hees Intl	20⅛	19⅝
Hemlo Gld Mines	12⅜	13
Hollinger	N.Q.	12¼
Horsham	9⅞	10⅛
Hudson Bay	N.Q.	—
Imasco	35⅝	35½
Inco	32⅛	32⅝
Interhome	N.Q.	48½
Jannock	15	14⅞
Labatt	22	21⅝
Loblaw Co	16⅛	16⅛
Mackenzie	7	7⅛
Magna Intl A	3.10	3.20
Maritime	17⅝	16⅞
Mark Res	11⅛	11⅜
MacLean Hunt X	8⅝	8⅝
Molson A	31⅞	31⅛
Noma Ind A	5⅝	5⅛
Noranda	17⅛	18
Noranda Forest	N.Q.	9⅝
Norcen Energy	27⅞	27½
Nova Corp	7⅝	7½
Oshawa	30⅛	30⅛
Pagurin A	7⅛	7⅛
Placer Dome	20⅝	20⅝
Poco Petroleum	7⅝	8
PWA Corp	9⅝	9⅝
Quebec Sturgeon	N.Q.	—
Rayrock	8⅛	9
Renaissance	14½	14⅝
Rogers B	6⅞	6⅜
Rothmans	N.Q.	—
Royal Bank Can	21⅞	21⅞
Royal TrustCo	12⅛	12⅛
Sceptre Res	4.15	4¼
Scott's Hosp	14⅛	13⅞
Seagram	88⅛	88⅛
Sears Can	10⅝	11
Shell Can	39⅝	40
Sherritt Gordon	7⅝	7½
SHL Systemhse	6⅞	6⅞
Southam	21⅛	21
Spar Aerospace	9⅛	9⅛
Stelco A	15⅛	16
Teck B	25⅛	25½
Thomson News	14⅝	14⅝
Toronto Domn	16⅛	17
Torstar B	24½	24⅝
Transalta Util	12½	12
TransCda Pipe	16⅝	17
Trilon Finl A	17	17
Trimac	7⅜	7½
Trizec A	16⅛	N.Q.
Turbo Resources	0.40	0.40
Unicorp A	N.Q.	1⅛
Woodward's Ltd	1⅛	1⅛

TSE 300 Index : 3341.70
Previous : 3354.90

Zurich

	Close	Prev.
Adia Intl	1110	1095
Alusuisse	1145	1145
Bank Leu	2200	2250
Brown Boveri	5030	5040
Ciba Geigy	2560	2560
CS Holding	2000	2000
Elektrow	3150	3130
Fischer	1600	1610
Interdiscount	3420	3560
Jacobs Suchard	8400	8390
Jelmoli	1855	1860
Landis Gyr	1300	1300
Moevenpick	5200	5300
Nestle	7530	7320
Oerlikon-B	820	835
Pargesa Hld	1130	1150
Roche Holding B	3610	3530
Sandoz	1820	1800
Schindler	6550	6450
Sulzer	570	580
Surveillance	5250	5325
Swissair	750	740
SBC	304	299
Swiss Reinsur	545	538
Swiss Volksbank	1270	1270
Union Bank	3080	3060
Winterthur	3670	3670
Zurich Ins	1900	1908

SBS index : 575.90
Previous : 573.20

U.S. FUTURES

Via Associated Press Aug. 29

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum-dollars per bushel							
3.73	2.77¼	Sep	2.79¼	2.81	2.75¾	2.75¾	−.04
3.80	2.91½	Dec	2.93	2.94	2.89¾	2.90¼	−.04
3.85	3.01¼	Mar	3.06½	3.06½	3.00	3.00½	−.05¼
3.75	3.05	May	3.11½	3.11½	3.06	3.06	−.06
3.63	3.05	Jul	3.15½	3.16	3.11	3.11	−.05½
3.26	3.10	Sep	3.22	3.22	3.16	3.16	−.04
Est. Sales		Prev. Sales 12,674					
Prev. Day Open Int. 39,385 off 62							
CORN (CBT) 5,000 bu minimum-dollars per bushel							
2.97	2.29	Sep	2.54¼	2.55½	2.49¾	2.50	−.03¾
2.96½	2.22	Dec	2.43¼	2.44	2.37½	2.37¾	−.05½
3.02½	2.41	Mar	2.51¼	2.51¾	2.45¾	2.46	−.05¾
3.06½	2.49¾	May	2.58	2.58¼	2.52¾	2.53	−.05½
3.08¼	2.59¼	Jul	2.61¾	2.62	2.57	2.57	−.05½
2.87½	2.55¼	Sep	2.57¼	2.57½	2.55½	2.55½	−.02
2.75	2.52½	Dec	2.56¼	2.58½	2.55½	2.55½	−.02
Est. Sales		Prev. Sales 35,626					
Prev. Day Open Int. 205,596 off 1,097							
SOYBEANS (CBT) 5,000 bu minimum-dollars per bushel							
6.76	5.48	Sep	6.19	6.20½	6.05	6.05¼	−.14½
6.82	5.64½	Nov	6.34	6.35	6.19	6.19½	−.15
6.92	5.87	Jan	6.47	6.48½	6.32½	6.33¼	−.14½
7.03	5.65½	Mar	6.60	6.62	6.45½	6.46	−.14½
7.11	6.14½	May	6.70	6.70	6.55½	6.53½	−.16¼
7.18	6.25	Jul	6.75	6.75	6.60	6.60¼	−.15½
6.95	6.28	Aug	6.56	6.56	6.56	6.56	−.11
6.54	6.29	Sep				6.36	−.10
6.74	6.12½	Nov	6.33½	6.34	6.26¼	6.26¾	−.07
Est. Sales		Prev. Sales 37,817					
Prev. Day Open Int. 94,622 off 2,514							
SOYBEAN MEAL (CBT) 100 tons-dollars per ton							
200.00	166.80	Sep	180.80	180.80	176.50	176.60	−3.80
200.00	168.00	Oct	182.30	182.50	178.60	178.80	−3.60
205.50	170.50	Dec	186.50	187.00	182.50	182.70	−3.90
204.00	171.50	Jan	188.00	188.30	184.20	184.20	−4.10
212.00	174.50	Mar	191.80	191.00	187.10	187.10	−4.40
208.00	175.80	May	192.00	192.00	189.30	189.50	−3.20
209.00	177.00	Jul	193.50	193.50	190.50	190.70	−3.10
192.50	176.50	Aug	192.50	192.50	190.00	190.00	−2.20
192.00	175.50	Sep	191.00	191.00	188.00	190.00	−2.00
Est. Sales		Prev. Sales 23,279					
Prev. Day Open Int. 58,515 off 2,188							
SOYBEAN OIL (CBT) 60,000 lbs-dollars per 100 lbs.							
25.62	19.50	Sep	24.32	24.45	24.08	24.11	−.21
25.56	19.65	Oct	24.30	24.42	24.00	24.05	−.22
25.55	19.75	Dec	24.32	24.46	24.01	24.03	−.29
25.55	19.81	Jan	24.45	24.52	24.15	24.15	−.25
25.61	19.82	Mar	24.55	24.68	24.30	24.30	−.20
25.55	20.15	May	24.70	24.80	24.45	24.46	−.19
25.60	21.05	Jul	24.60	24.60	24.50	24.52	−.25
25.50	24.35	Aug				24.15	−.45
25.10	23.85	Sep				23.97	−.43
24.90	24.30	Oct				23.77	−.28
		Dec	23.75	23.75	23.40	23.60	−.20
Est. Sales		Prev. Sales 25,491					
Prev. Day Open Int. 79,708 off 2,927							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.-cents per lb.							
79.10	68.30	Oct	76.25	76.25	75.75	76.07	−.50
78.12	71.00	Dec	74.30	74.40	74.05	74.27	−.33
77.80	72.50	Feb	73.98	74.10	73.82	73.92	−.23
78.05	74.15	Apr	74.85	75.17	74.85	75.02	−.13
75.45	72.52	Jun	73.00	73.10	73.00	73.18	−.20
73.80	71.05	Aug	71.60	71.70	71.40	71.40	−.20
72.50	71.02	Oct	71.80	71.80	71.40	71.60	−.17
Est. Sales 15,866		Prev. Sales 9,179					
Prev. Day Open Int. 68,311 up 339							
FEEDER CATTLE (CME) 44,000 lbs.-cents per lb.							
90.35	78.50	Aug	88.62	88.80	88.55	88.77	+.20
88.85	78.00	Sep	86.05	86.10	85.52	86.07	−.08
87.82	78.20	Oct	84.70	84.85	84.28	84.75	−.05
87.75	79.00	Nov	84.65	84.85	84.30	84.82	−.03
87.15	79.75	Jan	84.25	84.35	84.05	84.35	−.10
85.60	80.90	Mar	82.70	83.22	82.70	83.15	+.20
84.85	81.20	Apr	82.05	82.30	82.02	82.27	+.02
83.50	80.20	May	81.40	81.40	81.20	81.25	−.30
Est. Sales 1,700		Prev. Sales 1,798					
Prev. Day Open Int. 11,466 off 105							
HOGS (CME) 30,000 lbs.-cents per lb.							
53.70	40.80	Oct	48.50	48.85	48.22	48.82	+.37
52.45	44.25	Dec	49.70	50.15	49.50	49.95	+.25
52.95	48.25	Feb	47.67	47.97	47.45	47.95	+.18
48.80	43.60	Apr	44.82	44.90	44.70	44.87	+.05
51.85	47.70	Jun	48.95	48.95	48.90	48.97	+.02
51.00	48.30	Jul	49.28	49.20	49.00	49.17	
48.80	46.90	Aug	47.85	47.85	47.85	48.00	+.20
44.20	42.90	Oct	43.90	44.05	43.90	43.95	+.05
Est. Sales 4,895		Prev. Sales 5,133					
Prev. Day Open Int. 27,638 off 55							
PORK BELLIES (CME) 40,000 lbs.-cents per lb.							
63.65	48.07	Feb	51.70	52.90	51.70	52.60	+.23
62.95	49.20	Mar	51.65	52.65	51.65	52.52	+.22
63.00	49.50	May	52.50	53.00	52.30	53.20	+.35
57.25	52.95	Jul	52.70	52.70	52.90	53.20	
Est. Sales 2,955		Prev. Sales 2,426					
Prev. Day Open Int. 5,740 up 66							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.-cents per lb.							
120.00	77.25	Sep	98.80	98.80	97.50	97.80	−.60
109.50	81.00	Dec	101.75	102.20	100.60	101.05	−.70
116.75	83.00	Mar	104.75	105.25	103.90	104.35	−.65
123.00	91.25	May	107.25	107.25	106.20	106.60	−.65
111.25	92.75	Jul	108.75	108.75	108.50	108.70	−1.05
Est. Sales		Prev. Sales 5,424					
Prev. Day Open Int. 41,617 off 41							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.-cents per lb.							
16.13	9.78	Oct	11.48	11.49	10.94	11.05	−.42
15.22	9.73	Mar	11.19	11.19	10.67	10.80	−.40
15.05	9.80	May	11.16	11.16	10.70	10.82	−.36
14.90	9.88	Jul	11.15	11.15	10.75	10.83	−.36
14.40	.72	Oct	11.14	11.14	10.94	10.94	−.33
Est. Sales 30,171		Prev. Sales 9,067					
Prev. Day Open Int. 121,983 off 382							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1541	941	Sep	1240	1245	1201	1206	−31
1558	965	Dec	1284	1284	1241	1249	−31
1581	607	Mar	1316	1316	1288	1292	−31
1572	1000	May	1341	1341	1333	1322	−34
1590	1060	Jul	1366	1366	1350	1352	−26
1515	1264	Sep				1383	−26
1535	1325	Dec				1413	−26
Est. Sales 4,415		Prev. Sales 8,565					
Prev. Day Open Int. 45,904 up 95							
ORANGE JUICE (NYCE) 15,000 lbs.-cents per lb.							
202.00	123.50	Sep	168.60	168.60	161.00	163.45	−5.95
199.50	124.00	Nov	157.00	157.00	153.30	153.30	−5.00
191.00	125.00	Jan	153.50	153.50	149.45	149.45	−5.00
190.50	148.50	Mar	153.00	153.00	148.95	148.95	−5.00
190.00	150.00	May	153.00	153.00	148.45	148.45	−5.00
180.00	150.00	Jul	153.00	153.00	148.45	148.45	−5.00
Est. Sales 7,300		Prev. Sales					
Prev. Day Open Int.							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.-cents per lb.							
135.00	95.00	Aug	128.00	131.00	128.00	129.70	+.75
135.00	92.50	Sep	128.00	131.00	127.50	129.70	+.80
131.50	94.60	Oct	127.80	127.00	126.70	128.10	+.90
127.80	94.50	Nov				126.10	+1.10
126.70	91.50	Dec	122.60	126.00	122.20	124.75	+1.15
122.20	94.00	Jan				122.55	+1.15
115.30	99.50	Feb				120.55	+1.05
121.00	92.30	Mar	116.50	119.80	116.50	118.35	+.95
115.50	99.85	Apr				116.85	+.95
114.80	97.00	May				115.35	+.95
108.20	102.30	Jun				113.95	+.95
113.80	96.50	Jul	111.30	111.30	111.30	112.50	+.95
110.50	95.50	Sep	109.50	109.50	109.50	110.30	+.95
108.30	94.50	Dec				107.55	+.95
		Jan				106.25	+.95
99.25	96.00	Mar				105.15	+.95
		May				104.15	+.95
Est. Sales 8,000		Prev. Sales 6,631	Prev. Day Open Int. 31,165			Chg. −99	
ALUMINUM (COMEX) 40,000 lbs.-cents per lb.							
75.00	75.00	Aug				76.50	−2.00
76.00	73.20	Sep				78.00	−2.00
		Oct				78.00	−2.00
75.00	75.00	Dec				78.00	−2.00
75.00	75.00	Jan				78.00	−2.00
75.00	75.00	Mar				78.00	−2.00
75.00	75.00	May				78.00	−2.00
75.00	75.00	Jul				78.00	−2.00
		Sep				78.00	−2.00
75.00	75.00	Dec				78.00	−2.00
75.00	75.00	Jan				78.00	−2.00
75.00	75.00	Mar				78.00	−2.00
		May				78.00	−2.00
Est. Sales		Prev. Sales					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.-cents per troy oz.							
516.0	477.0	Aug				482.6	−1.4
760.0	477.5	Sep	485.0	485.5	479.0	482.6	−1.8
524.0	484.5	Oct	487.0	488.0	482.0	486.1	−1.7
742.0	488.0	Dec	496.5	497.0	490.0	493.8	−1.7
688.0	495.0	Jan				496.2	−1.8
645.0	499.0	Mar	508.5	508.5	501.0	504.4	−1.8
647.0	507.0	May	510.0	512.5	508.4	511.6	−1.6
667.5	515.0	Jul	521.1	521.1	516.0	519.0	−1.6
654.0	524.0	Sep	524.0	529.5	524.0	526.8	−1.6
623.5	531.0	Dec	539.0	539.0	537.0	538.4	−1.6
596.0	546.0	Jan				541.8	−1.6
613.0	546.0	Mar	545.0	547.0	545.0	550.1	−1.6
589.0	559.0	May				558.3	−1.6
Est. Sales 35,000		Prev. Sales 41,679					
Prev. Day Open Int. 99,406 off 821							
PLATINUM (NYME) 50 troy oz.-dollars per troy oz.							
560.50	472.50	Oct	488.50	488.90	481.00	484.50	+1.40
551.00	477.60	Jan	494.00	494.00	487.00	490.30	+1.70
554.50	485.50	Apr	497.50	497.50	497.50	495.30	+1.70
528.50	495.00	Jul				500.50	+1.90
513.80	506.80	Oct				506.30	+1.90
Est. Sales		Prev. Sales 3,938					
Prev. Day Open Int. 16,777 off 460							
PALLADIUM (NYME) 100 troy oz-dollars per oz							
149.50	109.50	Sep	110.50	110.50	109.00	109.40	+.10
147.00	110.25	Dec	112.75	113.00	112.00	112.10	+.20
142.00	113.00	Mar				113.80	+.50
125.25	114.50	Jun				115.10	+.20
119.40	119.40	Sep				117.10	+.20
Est. Sales		Prev. Sales 887					
Prev. Day Open Int. 5,669 off 36							
GOLD (COMEX) 100 troy oz.-dollars per troy oz.							
487.00	348.20	Aug	388.50	388.50	383.50	385.30	+.30
417.00	356.50	Sep	383.50	383.50	383.50	385.50	
472.00	352.50	Oct	390.00	390.50	384.50	387.90	
455.50	357.00	Dec	395.00	395.30	389.50	392.70	−.10
457.50	362.00	Feb	399.30	399.80	394.00	396.90	
460.00	366.20	Apr	402.50	402.50	397.50	401.00	
464.20	372.00	Jun	406.00	406.00	402.40	405.50	
468.00	375.00	Aug	409.00	409.00	409.00	409.70	
476.00	385.00	Oct				414.40	
483.00	385.50	Dec	418.00	418.00	418.00	419.10	
456.50	392.00	Feb				424.20	
446.00	396.50	Apr				429.10	
467.00	433.00	Jun				434.20	
Est. Sales 60,000		Prev. Sales 73,272					
Prev. Day Open Int. 129,491 off 4,536							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million-pts of 100 pct.							
93.65	91.28	Sep	92.66	92.69	92.63	92.68	+.05
93.39	91.41	Dec	92.81	92.91	92.80	92.90	+.11
93.28	91.66	Mar	92.76	92.82	92.75	92.84	+.13
93.06	91.52	Jun				92.66	+.07
92.97	91.60	Sep				92.63	+.08
92.24	92.34	Dec				92.24	
Est. Sales		Prev. Sales 6,827					
Prev. Day Open Int. 34,861 off 313							
10 YR. TREASURY (CBT) $100,000 prin-pts & 32nds of 100 pct							
100-14	92-24	Sep	94	94-21	93-29	94-27	+22
97-31	92-29	Dec	93-26	94-15	93-25	94-14	+20
97-25	92-24	Mar				94-9	+20
93-21	93-18	Jun				94-4	+20
Est. Sales		Prev. Sales 22,632					
Prev. Day Open Int. 81,569 up 755							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-4	79-1	Sep	88-16	89-18	88-9	89-14	+1
99-24	80	Dec	87-31	89-6	87-31	89-4	+1
99-12	79-21	Mar	88-6	88-26	87-30	88-25	+31
99-4	82-18	Jun	87-17	88-15	87-17	88-9	+25
99-5	85-31	Sep	87-10	88-4	87-10	88-2	+28
98-20	85-22	Dec	87-1	87-26	87-1	87-22	+26
98-13	85-14	Mar	86-24	87-17	86-24	87-16	+28
97-19	87-19	Jun	86-14	87-8	86-14	87-3	+23
92-12	87-14	Sep				86-31	+26
		Dec				86-23	+25
Est. Sales		Prev. Sales 284,272					
Prev. Day Open Int. 313,957 off 3,334							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-11	86-19	Sep	88-15	89-10	88-14	89-9	+31
92-21	85-14	Dec	87-1	87-27	87	87-26	+31
89-29	85	Mar				87-2	+31
89-17	84-26	Jun				86-14	+31
89-6	84-7	Sep				85-27	+31
Est. Sales		Prev. Sales 2,467					
Prev. Day Open Int. 8,514 off 512							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.39	88.74	Sep	91.89	91.93	91.87	91.92	+.06
92.40	89.85	Dec	91.91	91.98	91.87	91.97	+.12
92.35	89.96	Mar	91.80	91.91	91.80	91.90	+.15
92.19	89.91	Jun	91.66	91.78	91.65	91.76	+.15
92.04	90.04	Sep	91.50	91.60	91.50	91.60	+.14
91.82	90.04	Dec	91.25	91.33	91.24	91.33	+.12
91.82	90.09	Mar	91.16	91.24	91.15	91.23	+.11
91.76	90.35	Jun	91.05	91.12	91.04	91.11	+.11
91.72	90.32	Sep	90.98	91.04	90.96	91.04	+.10
91.53	90.24	Dec	90.84	90.98	90.83	90.90	+.09
91.45	90.28	Mar	90.82	90.86	90.80	90.87	+.09
91.51	90.27	Jun	90.73	90.78	90.73	90.78	+.08
91.47	90.27	Sep	90.70	90.74	90.67	90.74	+.08
91.37	90.22	Dec	90.42	90.65	90.59	90.64	+.07
91.00	90.24	Mar	90.60	90.62	90.58	90.62	+.05
90.97	90.41	Jun	90.56	90.56	90.52	90.56	+.05
Est. Sales		Prev. Sales 115,956					
Prev. Day Open Int. 742,414 off 9,404							
BRITISH POUND (IMM) $ per pound-1 point equals $0.0001							
1.9518	1.5290	Sep	1.9420	1.9442	1.9252	1.9376	
1.9230	.8230	Dec	1.9128	1.9130	1.9052	1.9074	
1.8950	1.6610	Mar	1.8870	1.8870	1.8800	1.8798	−2
Est. Sales		Prev. Sales 12,809					
Prev. Day Open Int. 43,876 off 774							
CANADIAN DOLLAR (IMM) $ per dlr-1 point equals $0.0001							
.8828	.8093	Sep	.8760	.8770	.8732	.8745	+17
.8734	.8050	Dec	.8661	.8674	.8640	.8649	+16
.8665	.7998	Mar	.8575	.8590	.8568	.8576	+15
.8576	.7995	Jun	.8510	.8510	.8510	.8509	+14
.8530	.7985	Sep				.8437	
Est. Sales		Prev. Sales 6,097					
Prev. Day Open Int. 41,262 off 411							
GERMAN MARK (IMM) $ per mark-1 point equals $0.0001							
.6489	.5525	Sep	.6440	.6449	.6402	.6406	−22
.6483	.5769	Dec	.6433	.6440	.6392	.6399	−23
.6474	.5820	Mar	.6414	.6414	.6386	.6387	−23
.6442	.6233	Jun				.6377	−24
		Sep				.6367	−34
Est. Sales		Prev. Sales 30,185					
Prev. Day Open Int. 71,859 up 2,698							
JAPANESE YEN (IMM) $ per yen-1 point equals $0.000001							
.007398	.006268	Sep	.006948	.006972	.006942	.006961	−4
.007080	.006290	Dec	.006946	.006966	.006939	.006956	−7
.006985	.006315	Mar	.006947	.006947	.006937	.006951	−10
.006834	.006645	Jun				.006951	−10
Est. Sales		Prev. Sales 38,072					
Prev. Day Open Int. 70,175 up 590							
SWISS FRANC (IMM) $ per franc-1 point equals $0.0001							
.7975	.6050	Sep	.7830	.7837	.7730	.7743	−33
.7965	.6380	Dec	.7815	.7824	.7724	.7733	−33
.7950	.6500	Mar	.7768	.7768	.7720	.7724	−34
.7930	.7865	Jun				.7715	−35
.7820	.6916	Sep	.7710	.7710	.7710	.7705	−35
Est. Sales		Prev. Sales 29,038					
Prev. Day Open Int. 52,534 off 2,155							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.-$ per 1,000 bd. ft.							
207.30	187.10	Sep	194.50	194.90	193.70	194.60	+.30
203.10	189.50	Nov	194.00	194.80	193.70	194.30	+.30
205.50	186.30	Jan	199.30	199.70	199.10	199.60	+.50
206.10	191.00	Mar				203.30	+.10
206.60	196.50	May	205.90	205.90	205.90	206.30	
Est. Sales 444		Prev. Sales 639					
Prev. Day Open Int. 3,017 up 284							
COTTON 2 (NYCE) 50,000 lbs.-cents per lb.							
82.05	.80	Oct	74.80	74.30	73.40	74.26	+.43
77.80	62.80	Dec	72.18	72.55	71.70	72.38	+.48
77.70	63.82	Mar	72.95	73.60	72.70	73.40	+.43
77.40	64.48	May	73.50	74.00	73.27	74.00	+.27
78.38	65.67	Jul	73.50	73.50	73.40	74.01	+.26
72.85	67.70	Oct	70.00	70.00	70.00	70.25	+.32
69.10	66.40	Dec	68.40	68.50	68.20	68.43	+.25
Est. Sales		Prev. Sales 6,036					
Prev. Day Open Int. 34,103 off 102							
HEATING OIL (NYME) 42,000 gal-cents per gal							
96.70	48.80	Sep	76.50	77.50	70.80	71.25	−8.27
96.39	50.05	Oct	77.00	78.25	74.40	74.40	−4.80
96.89	51.15	Nov	77.80	78.60	74.83	74.83	−4.80
97.15	52.37	Dec	77.00	78.80	75.09	75.09	−4.80
95.00	52.95	Jan	76.00	77.75	73.75	73.75	−4.00
92.45	52.40	Feb	75.00	75.50	71.05	71.10	−5.95
88.10	50.70	Mar	70.00	71.00	68.00	68.00	−5.40
85.10	49.30	Apr	69.50	69.50	65.00	65.80	−5.65
82.00	48.40	May	67.20	67.50	65.50	65.50	−3.50
81.80	48.00	Jun	66.00	66.75	64.50	64.50	−3.25
82.50	48.55	Jul	66.00	66.00	66.00	66.00	−1.50
69.69	52.45	Aug	66.45	66.45	66.45	66.45	−1.50
Est. Sales		Prev. Sales 39,777					
Prev. Day Open Int. 102,103 off 191							
CRUDE OIL (NYME) 1,000 bbl.-dollars per bbl.							
32.35	16.50	Oct	26.70	26.85	25.32	26.00	−1.88
30.80	17.30	Nov	26.25	26.50	25.30	25.85	−1.55
30.06	17.88	Dec	25.70	26.10	25.15	25.40	−1.24
29.57	17.87	Jan	25.25	25.60	24.80	25.10	−1.17
29.15	18.15	Feb	24.85	25.25	24.40	24.80	−.99
28.73	18.48	Mar	24.40	24.90	24.05	24.05	−1.28
28.41	18.88	Apr	24.20	24.55	23.80	24.10	−.84
28.14	18.03	May	23.95	24.00	23.70	23.75	−.88
27.89	14.65	Jun	23.70	24.05	23.22	23.32	−1.01
27.67	17.08	Jul	23.30	23.90	23.30	23.40	−.70
27.40	18.70	Aug	23.70	23.70	22.55	23.65	−.36
27.34	19.10	Sep	23.50	23.55	23.10	23.55	−.71
27.20	19.60	Oct	23.00	23.00	23.00	23.08	−.64
26.95	19.10	Nov	22.90	22.90	22.90	22.90	−.63
26.18	21.23	Feb	22.90	22.90	22.75	22.75	−.45
		Mar	22.40	22.40	22.40	22.40	−.89
Est. Sales		Prev. Sales 92,459					
Prev. Day Open Int. 244,671 off 11,876							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	305.20	Sep	322.20	327.10	321.25	323.85	+1.20
378.90	308.65	Dec	325.90	330.75	325.25	327.60	+1.20
383.20	312.00	Mar	328.70	332.50	328.00	330.65	+1.20
383.35	316.00	Jun	331.80	331.00	331.00	334.75	+1.20
Est. Sales		Prev. Sales 41,472					
Prev. Day Open Int. 143,664 up 1,431							
VALUE LINE (KCBT) points and cents							
297.90	234.00	Sep	246.50	249.80	246.35	248.10	+1.00
302.10	237.00	Dec	249.20	251.90	249.00	250.75	+.95
303.80	260.25	Mar				254.15	+.95
Est. Sales		Prev. Sales 66					
Prev. Day Open Int. 1,291 up 5							
NYSE COMP. INDEX (NYFE) points and cents							
188.30	167.25	Sep	176.60	179.25	176.10	177.55	+.75
206.50	149.25	Dec	178.50	181.75	178.85	179.55	+.75
207.80	174.75	Mar	180.25	182.00	180.30	181.55	+.75
192.25	181.50	Jun	182.25	182.25	182.25	183.55	+.75
Est. Sales		Prev. Sales 4,414					
Prev. Day Open Int. 5,558 off 200							

Commodity Indexes

	Close	Previous
Moody's	1,125.40 f	1,135.20 f
Reuters	1,791.30	1,800.30
D.J. Futures	133.06	133.37
Com. Research	234.71	238.37

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Wallenbergs Lift Saab Stake

Reuters

STOCKHOLM — Two Swedish investment firms controlled by the powerful Wallenberg family said Wednesday that they had exercised an option to buy 19.1 percent of the shares in Saab-Scania AB.

A statement said the purchase, which also represents 22 percent of the votes in the automaker, was made through a joint venture of AB Investor and Forvaltnings AB Providentia. The seller was a privately owned Swedish real estate and investment firm, Barkman & Co.

The deal was seen as part of a strategy by the businessman Peter Wallenberg of tightening control over the blue-chip companies that are part of the Wallenberg shareholding empire.

The statement said Investor and Providentia now hold 43 percent of the share capital and 49.5 percent of the votes in Saab-Scania.

The shares were bought for 330 kronor ($57.89) apiece, a premium over the closing price of 250 on the Stockholm bourse.

The Wallenberg interests had an option to buy the shares for that price from Barkman's owner, Sven-Olof Johansson, who had been steadily increasing his stake in Saab-Scania.

The option had to be exercised by the end of August.

The 250 kronor closing price was a gain of 5 kronor on the day and reflected rumors that another Wallenberg entity, Asea AB, would make a bid for Saab.

An Asea spokeswoman declined to comment on the rumors, which have affected trade in the vehicle maker's shares.

■ **ABB Profit Rises 24%**

The Swedish-Swiss engineering concern ABB Asea Brown Boveri AG on Wednesday posted a 24 percent rise in six-month profit and said it expected similar growth for the full year, Reuters reported from Stockholm.

"The result after financial items for 1990 is expected to rise, compared with 1989, at about the same rate as the profit increase so far this year," said a statement accompanying the results.

Half-year profit after financial income and expenses rose to $489 million from $396 million in the same period last year. This improvement was broadly in line with analysts' expectations.

ABB, formed in 1988 through the merger of Asea AB of Sweden and AG Brown Boveri & Cie. of Switzerland, said revenue grew by 35 percent to $12.79 billion during the period, while orders increased 33 percent to $14.92 billion.

ABB simultaneously reported an 11 percent rise in profit to 1.61 billion kronor after financial items and excluding minority holdings.

Japan Retailer to Take Stake in Laura Ashley

Agence France-Presse

LONDON — Aeon Group of Japan has agreed to buy stakes in Laura Ashley Holdings PLC and a subsidiary for about $75 million, the troubled British clothing and furnishings company said on Wednesday.

The deal calls for Aeon to pay £30 million ($58.4 million) for new shares that would comprise 15 percent of Laura Ashley Holdings. It will also have the right to buy a further 5 percent within one year of completion of the agreement.

The deal values Laura Ashley shares at 85 pence each, compared with 49 pence at the close of trading Tuesday in London and 64 pence after the announcement on Wednesday.

Aeon also agreed to buy 48 percent of Laura Ashley's wholly owned U.S. subsidiary, Revman Industries Inc., for $16.8 million.

Revman management will also acquire 5 percent under the same terms, thus reducing the British company's stake to a minority and enabling it to remove $27 million in debt from Revman's balance sheet.

In a further move, Laura Ashley will sell Aeon 10 percent of Laura Ashley Japan Co., a joint venture owned equally by Laura Ashley and Aeon, at a price to be determined by independent valuation.

Laura Ashley has suffered the same problems as much of the depressed British retail sector in recent times, transforming a £20.3 million pretax 1988 profit into a £4.7 million 1989 loss.

Last week, the chief executive, John James, resigned after 16 years with the company. Shares stood below 50 pence after the news, compared with the 135 pence-per-share price after stock market flotation in 1985.

B&C Holdings Asset Sales Hit £200 Million

Reuters

LONDON — British & Commonwealth Holdings PLC has sold assets worth £200 million ($390 million), said Stephen Adamson, a partner with Ernst and Young, which has had charge of the failed company since June.

Other disposals were likely to be announced in the next few months, but Mr. Adamson said it would be at least six months before creditors would receive any of the cash from the asset sales.

B&C was forced into administration, or receivership, owing £1.3 billion, of which around £500 million is due to banks. It has undertaken to sell £750 million in assets to pay down the debt.

The sales, which were either agreed to or completed, had been announced earlier.

Oil Price Rises Boost German Inflation Rate

Compiled by Our Staff From Dispatches

BONN — Soaring oil prices pushed West German inflation up a sharp 0.4 percent in August, for a year-on-year rise of 2.9 percent.

Economists said the year-on-year rate could be kept near this level for some time, but the Hamburg-based HWWA research institute said that if oil prices remain at current high levels, Germany could face an inflation rate nearer 4 percent in 1991 and thereafter.

August's 2.9 percent was the highest year-on-year rate since December 1989, when prices rose 3 percent.

"By far the biggest part of this rise stemmed from higher heating oil and petrol costs," the office said.

In July, the first month after German monetary union, consumer prices had been unchanged from June, with prices up 2.4 percent from levels a year earlier.

The average inflation rate for the first seven months of the year was 2 percent, the office said.

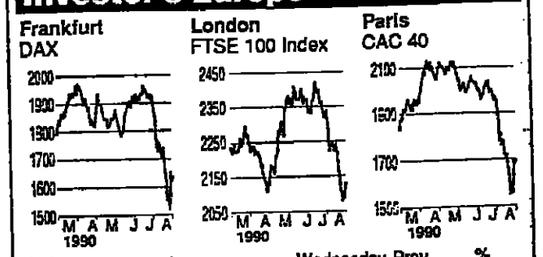
Economists said the agreement Wednesday by oil ministers of the Organization of Petroleum Exporting Countries to increase oil production would probably put a lid on further oil price rises.

Economists added that other factors, such as excessive wage rises and the uncertain effects of German monetary union, were increasing inflationary pressure.

On the other hand, the Deutsche mark's strength against the dollar was still keeping import prices low, and this was helping to prevent inflation rising more sharply.

The Bonn Economics Ministry had forecast an inflation rate of under 3 percent for 1990, and in early August had planned to revise this estimate down to around 2.5 percent. But it scrapped the downward revision after Iraq invaded Kuwait. *(Reuters, UPI)*

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	102.20	102.50	-0.29
Brussels	Stock Index	5606.15	5631.73	-0.45
Frankfurt	DAX	1637.66	1617.89	+1.22
Frankfurt	FAZ	691.50	689.60	+0.28
Helsinki	UNITAS	518.50	520.50	-0.38
London	Financial Times 30	1658.90	1657.40	+0.09
London	FTSE 100	2125.70	2126.10	-0.02
Madrid	General Index	253.74	255.76	-0.79
Milan	MIB	898.40	906.30	-0.87
Paris	CAC 40	1698.66	1680.80	+1.06
Stockholm	Affarsvarlden	1156.70	1180.80	-2.04
Vienna	Stock Index	596.12	581.07	+2.59
Zurich	SBS	575.90	573.20	+0.47

Sources: Reuters, AFP International Herald Tribune

MILITARY: *Companies Make Money Out of Crisis*

(Continued from first finance page)

Fox Industries Inc., owned by the Sac and Fox Indians, was one of four companies with contracts to make chemical warfare uniforms. Now, with concerns about Iraq's possible use of chemical weapons, the Pentagon cannot get the protective gear fast enough.

"I'm supposed to be making 2,000 pairs a day, but I'm only making close to 500," said Louise Fields, plant manager at Sac & Fox's plant in Idabel, Oklahoma, although she said her sewing machines were working 52 hours a week. Even though the company is producing green forest-camouflage suits instead of tan desert ones, the Pentagon is "tickled to death to get them," she said.

As a result of the activity the stock prices of two publicly traded small companies that specialize in military equipment have climbed rapidly. They are Survival Technology of Bethesda, Maryland, which makes an antidote for some nerve gases, and Engineered Support Systems in St. Louis, Missouri, which makes decontamination equipment needed by troops facing chemical weapons.

Food suppliers can also expect more business. Already the Pentagon has bought 500 tons of fresh fruits and vegetables and spent $41.5 million on meat and other food, according to the Defense Personnel Support Center in Philadelphia.

But in some cases, what appears to be an oasis of new business is actually a mirage. The bottled water concession in the desert would seem to be a great opportunity, but the Pentagon insists it is not actually buying that much water, and is instead relying on tap water, supplemented by desalinization plants it is building in Saudi Arabia.

Some of the first units to go to Saudi Arabia did buy bottled water because they were in a hurry, said Frank Johnson, a spokesman for the Defense Personnel Support Center. That water is being replaced with locally available water, but soldiers continue to use the old bottles as containers, making it appear to television viewers that huge quantities of mineral water are being consumed.

The water problem did provide a relatively small order for the Wisconsin Pharmacal Co. of Jackson, Wisconsin. It just received a $147,00 order for 260,000 bottles of its Potable Aqua water purification tablets.

> **'It's good for business, yeah, but it's also kind of scary.'**
>
> **Roy D. Terracina, president of Sterling Foods Inc.**

Sometimes, what appears to be a bonanza can even be bad for the bottom line. Moyco Industries Inc. of Philadelphia had a contract to supply one million cans of its itch-a-way foot powder to the armed forces over the course of a year. Now the Pentagon wants the cans all at once, forcing the company to add overtime costs to speed up production.

"It's bid at a price that I can't economically afford to go overtime," said Frank Palm, sales manager of the company. He said that after he appealed the Pentagon agreed to cover the extra costs of accelerated production.

But for many specialized military contractors, the increase promises to stave off severe cutbacks, even possible closings, that were on the way.

"We could have been looking at a layoff of some people had this not come along," said Keith Hane, general manager of the hand protection division at Siebe North Inc. in Charleston, South Carolina.

The company, a subsidiary of Siebe PLC of Britain, makes vinyl gloves to protect soldiers from chemical attacks. But Siebe's factories have been operating in recent years at a rate that barely kept them in business.

The mobilization of industry in times of war has often been an economic stimulant and a sustained rise in military spending and in industrial production by related industries this time would do the same, many economists say.

"What it will actually do to the economy near term is to help prevent a recession," said Allen Sinai, chief economist for The Boston Co.

He still predicts a mild recession later this year, but not as severe as it would have been without the increased military spending.

Meridien Agrees to Rescue Loss-Making African Bank

Reuters

PARIS — Negotiators have struck an agreement under which the loss-making African bank network BIAO will be taken over by new investors, banking sources said on Wednesday.

The African bankers Meridien International Bank Ltd., whose operations are concentrated in east, central and west Africa, will buy the 51 percent majority stock in Banque Internationale pour l'Afrique de l'Ouest that was formerly held by Banque Nationale de Paris.

The rest of its stock will go to institutional investors, mainly the African Development Bank and the International Finance Corp., an affiliate of the World Bank.

The BIAO has a balance sheet of 16.5 billion francs ($3.2 billion) and is an expert in rural banking, mainly in hardship areas in Africa where there are no other bank ventures.

But BNP, owned by the French government, decided to liquidate the network following sustained losses.

The takeover accord was reached after talks in Senegal on Aug. 12 and 13, capping a bid by West African leaders to try to find new buyers for BIAO.

The Africans lobbied the French government to stop the liquidation plan, but on July 14 BNP took the irrevocable decision to close the Paris, Senegalese and Ivory Coast operations as a first step towards a complete pullout.

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SMOKE: *Western Cigarette Firms Blow Into the East*

(Continued from first finance page)

almost 3 percent a year, sales in West Germany jumped by 2 percent last year — an increase credited almost entirely to the influx of East Germans and other Eastern Europeans.

Western Europeans smoke more than Americans, and Eastern Europeans out-smoke their Western neighbors. About one-third of West German adults smoke and at least 40 percent of East Germans have the habit, according to Mr. Wolff.

Most Western investors have shied away from pumping money into East Germany thus far, largely because key legal questions remain about the ability of Western companies to own property and fire workers in existing East German plants.

The response to the drive has been mixed. Western brands are selling well, but so are the old East German brands.

"We had to learn that people get used to bad quality, and good quality can seem like there's something wrong with it," Mr. Walther said.

East Germans may like their old Cabinets — largely because they contain about 50 percent more nicotine than do most Western cigarettes — but their old taste is now gone for good.

Reemtsma bought the trademark and immediately relaunched Cabinets with new packaging, better tobacco and 40 percent less tar. Soon, the amount of nicotine will also be dramatically reduced.

Cigarette companies say they are cutting the nicotine levels of East German cigarettes in part because they think people will grow to like a lighter taste, and in part to comply with European Community standards, which will soon govern East Germany as they do Western Europe.

Critics say the introduction of lighter cigarettes is not meant to ease health concerns, but rather to sell more cigarettes.

"The lighter the cigarette, the more people smoke," said Peter Kosek, vice chairman of West Germany's Nonsmoker Initiative. "If each cigarette has half the nicotine, the smoker must double the number of cigarettes smoked to avoid withdrawal symptoms."

The Western companies are trying to get their new customers used to not only lower nicotine and higher prices, but also Western advertising.

"We have to teach them that there are differences between brands," Mr. Walther said. "You have to create the demand."

Reemtsma started by using its West German ad campaigns. "But we quickly learned that you have to have 30 years of experience as a consumer in an advertising environment before you get the jokes in the ads," Mr. Walther said.

For example, a Reemtsma brand called West has a long-running and quite successful ad campaign called "Test the West" in which young, beautiful people offer cigarettes to bizarre people.

"The East Germans just didn't get it," Mr. Walther said. "They couldn't understand why we would show ugly people in the ads. So we went back to stories and nice pictures. Less sophisticated, fewer jokes."

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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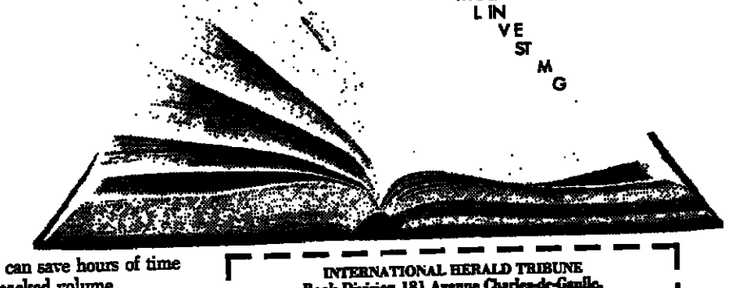

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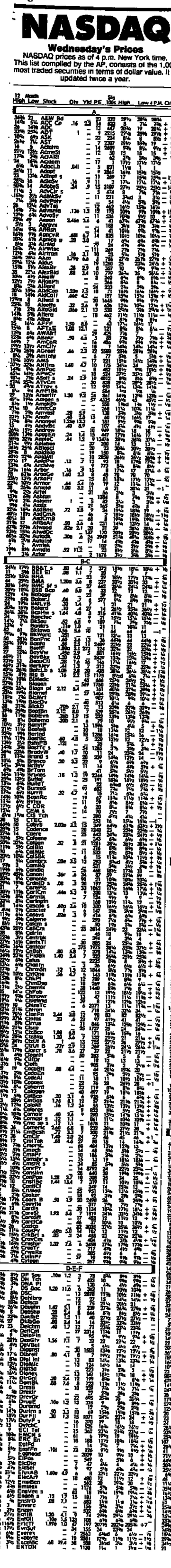
NASDAQ

Wednesday's Prices

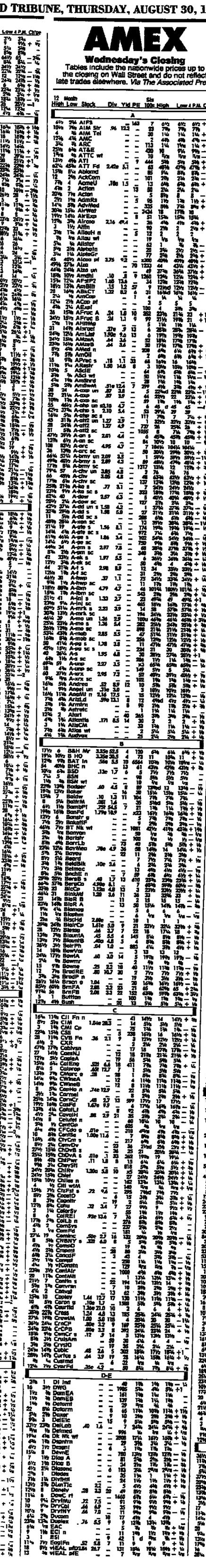
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

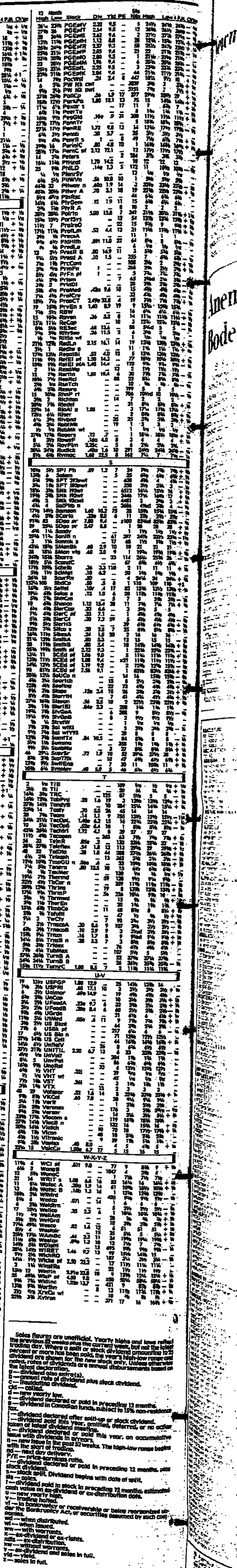


AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*





Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s).
b—annual rate of dividend plus stock dividend.
c—liquidating dividend.
cld—called.
dd—new yearly low.
e—dividend declared or paid in preceding 12 months.
f—dividend in Canadian funds, subject to 15% non-residence tax.
g—dividend declared after split-up or stock dividend.
h—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
i—dividend declared or paid this year, an accumulative issue with dividends in arrears.
j—new issue in the past 52 weeks. The high-low range begins with the start of trading.
kd—next day delivery.
k/E—price-earnings ratio.
l—dividend declared or paid in preceding 12 months, plus stock dividend.
m—stock split. Dividend begins with date of split.
n—new issue. Sales.
p—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
q—new yearly high.
r—trading halted.
s—in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
t—when distributed.
wi—when issued.
ww—with warrants.
x—ex-dividend or ex-rights.
xds—ex-distribution.
xw—without warrants.
y—ex-dividend and sales in full.
yld—yield.
z—sales in full.

Newmont Australia Urges Rejection of Poseidon's Offer

Compiled by Our Staff From Dispatches

SYDNEY — Poseidon Ltd. will become one of the world's top gold producers if its surprise 800 million Australian dollar ($664 million) bid for Newmont Australia Ltd. succeeds, industry analysts said Wednesday.

But Bruce Patterson, Newmont's company secretary, said, "Shareholders should not sell."

Poseidon this week spent $165 million to buy almost 20 percent of Newmont from Newmont Mining Corp. and on Tuesday offered one of its shares for every two shares of Newmont Australia through its subsidiary Poseidon Gold Ltd.

While Poseidon's ambitions are clear, analysts say the benefits for shareholders in Newmont Australia are less clear.

Based on Poseidon Gold's last traded price of 2.60 dollars, the bid values Newmont Australia shares at 1.30 dollars each.

But Newmont shares dropped 4 cents Wednesday to close at 1.08 dollars.

Newmont's managing director, John Quinn, said he was concerned that the bid may substantially undervalue Newmont.

Mr. Quinn said there was no cash element, and Poseidon Gold shares were thinly traded so it was difficult to ascertain the real value of the bid.

However, Mr. Hamson said enough Poseidon Gold stock would be issued to create a liquid market by reducing Poseidon Ltd.'s stake from 95 percent to between 36 and 50 percent.

Analysts said a takeover would increase the Australian interests of the South African mining concern Anglo American Gold Investment Co. Anglo owns 15 percent of Poseidon Ltd. and a similar stake in Normandy Resources Ltd., which owns about 36 percent of Poseidon.

Michael Hamson, deputy chairman of Poseidon and Normandy, estimated that gold production from companies under the group's control would be about 1 million ounces a year if the bid succeeds.

"It will make us the top one or two in Australia," he said. "With the acquisition of Newmont we would have three of the best 10 Australian mines."

Chris Baker, an analyst at BZW Australia Ltd., said, "It will be a formidable group of companies."

Mr. Hamson said he was unfazed by Newmont telling its shareholders not to sell.

"I see that as a predictable response from good directors," he said.

He said Poseidon had been watching developments at Newmont Australia for about a year, because Newmont Mining had put its stake up for tender.

"We have always liked the company and its gold reserves, particularly the Telfer mine, and we had been waiting for this sort of opportunity," he said.

Poseidon has emerged as a major resources concern under the chairmanship of Robert Champion de Crespigny since its share price collapsed dramatically in 1974 after a nickel boom.

Total production from Poseidon-controlled companies for the three months to the end of March was 171,750 ounces.

"It will become one of the leading world gold companies," one analyst said. "It's a very shrewd step by de Crespigny."

(Reuters, AFP)

Currency Gain Helps Toyota Net Rise 27%

Compiled by Our Staff From Dispatches

TOKYO — Toyota Motor Corp. said Wednesday that its group net profit surged 27 percent, to 441.3 billion yen ($3.1 billion), in the year ended June 30, fueled by strong gains in domestic car sales and a big foreign exchange gain.

Net profit at the parent company rose 18 percent, to 360.8 billion yen, but Masami Iwasaki, a Toyota vice president, said profit at that level was expected to be flat this year.

Group sales rose 14.6 percent, to 9.19 trillion yen. Vehicle sales in Japan, the company's largest market, climbed 10.5 percent, to 2.43 million units, the third consecutive year of record domestic sales.

Exports grew 4.4 percent, to 2,003,336 units, mainly reflecting continued expansion in Europe and Southeast Asia, the company said. Overseas production rose 38.5 percent, to 607,662 units.

Current, or pretax, profit at the parent company jumped nearly 29 percent, to 733.8 billion yen, in the latest year, easily surpassing the previous record of 648.0 billion yen in the year ended June 30, 1985.

Current profit was swelled by a foreign exchange gain of 130 billion yen, which stemmed mainly from a weaker-than-expected yen, Mr. Iwasaki said. The yen averaged 147 to the dollar in the year, down from 131 yen a year earlier.

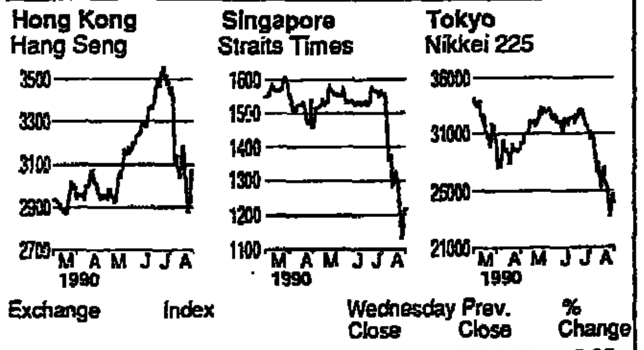
Parent level sales rose 11.3 percent to 8.00 billion yen. Mr. Iwasaki predicted sales at this level would rise to 8.50 trillion yen in the current year, a gain of 6.3 percent, assuming an unchanged average exchange rate of 147 yen.

Toyota plans to boost capital investment at the parent company by 39 percent, to 580 billion yen, in the current year, partly to finance the already announced plan to build three new factories in Japan away from Toyota City, near Nagoya in central Japan, Mr. Iwasaki said.

He said the company had no plans to change its capital spending plans because of the crisis in the Middle East.

(Reuters, UPI, AFP)

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3015.95	3078.94	-2.05
Singapore	Straits Times	1214.45	1217.41	-0.24
Sydney	All Ordinaries	1486.80	1491.80	-0.34
Tokyo	Nikkei 225	24894.79	25710.76	-3.17
Kuala Lumpur	Composite	530.34	534.62	-0.80
Bangkok	Book Club	729.66	719.76	+1.38
Seoul	Composite Stock	647.77	642.42	+0.83
Taipei	Weighted Price	3405.21	3606.18	-5.57
Manila	Composite	742.48	752.06	-1.27
Jakarta	Barclays	556.34	551.57	+0.86
New Zealand	National Index	1594.39	1597.87	-0.22
Bombay	Stock Index	619.53	619.21	+0.05

Sources: Reuters, AFP — International Herald Tribune

Anemic First Half, Oil Prices Bode Ill for Cathay Pacific

By Steve Glain
International Herald Tribune

HONG KONG — Cathay Pacific Airways Ltd. on Wednesday released disappointing half-year results that, coupled with rising oil prices, could portend the carrier's first-ever annual decline in profit, analysts said.

Cathay, widely considered one of Asia's strongest airlines, reported an after-tax profit of 1.42 billion Hong Kong dollars ($182.7 million) for the six months ended June 30, up about 4.4 percent from 1.36 billion dollars during the corresponding period last year. Analysts had expected midyear profit growth of between 7 to 10 percent.

The slowdown was attributed indirectly to last June's crackdown on anti-government dissent in China, which retains control of Hong Kong in 1997. Tourism in the British colony declined sharply, while the prospect of communist rule has continued to drive away the colony's young professionals, tightening an already depleted labor pool and driving wages higher.

"The cost of doing business in Hong Kong is rising generally, and our business still suffers from the post-June effects," said Rod Eddington, Cathay's deputy managing director. "Our margins are getting squeezed from two levels."

Analysts said the squeeze is likely to get tighter if the Gulf crisis continues to inflate oil prices, which account for about 15 percent of Cathay's operating costs. Jet fuel bills have already risen about 15 percent since Iraq's invasion of Kuwait on Aug. 2, and Cathay's directors are bracing for what would be the first year in which its profit has declined since the airline was founded in 1946.

In a statement, the Cathay chairman, David A. Gledhill, said sustained high energy rates "could mean that results for the full year will be below those for 1989." The airline reported a net annual profit of 3.32 billion Hong Kong dollars last year, a gain of 17.6 percent.

More serious than increased fuel costs, analysts said, would be a slowdown in the world economy.

"What they're saying is that they can bear the burden of high oil costs to a certain extent, but they can't sustain a worldwide recession and the decline in passenger and cargo traffic that would result," said Anne Gardini, an analyst with James Capel (Far East) Ltd.

The Gulf crisis follows the delivery to Cathay this year of two long-range Boeing 747-400s, a 747 freighter, and a Lockheed L1011.

The increased capacity was the primary reason that Cathay's passenger load factor fell 0.4 percentage points to 76.5 percent, while yield per passenger kilometer grew slightly, to 0.4 percent.

Even if the world economy avoids a recession and passenger traffic recovers, Cathay faces persistent labor challenges and the possibility of higher aircraft leasing charges, according to analysts.

Because the drain of young Hong Kong professionals is expected to continue, higher wages have forced Cathay, like other companies, to consider relocating some staff outside the colony. Mr. Eddington said such services as accounting and bookings could operate outside Hong Kong.

"But there will be no fundamental changes," he said. "We will continue to be a Hong Kong-based company."

Higher interest rates in Japan, Cathay's largest market for aircraft leasing, are expected to swell the airline's financing costs. In addition, the Japanese government next year will suspend so-called "defeasance" leases on commercial aircraft, considered by some analysts to be one of the most cost-effective methods to lease equipment.

Under a defeasance lease, the airline buys an aircraft, then sells it to an investor in return for a long-term lease conducted through an intermediary who assumes the risk of currency fluctuations.

IBM Will Make PCs With Chinese Partner

Compiled by Our Staff From Dispatches

BEIJING — International Business Machines Corp. has set up its first joint venture in China to produce personal computers, an IBM spokesman said on Wednesday.

The venture, between Tianjin Zhonghuan Electronic Computer Co. and IBM China Hong Kong Corp., has a capacity to produce up to 100 PS/2-type personal computers a day for domestic sale. The venture has the first IBM patent rights granted a joint venture to manufacture its computers, the spokesman said.

The spokesman did not give investment details of the venture, named Tianjin Advanced Information Products Corp., but said the two sides have signed a five-year renewable cooperation agreement.

The venture will also act as an IBM computer spare-parts export agent. The official newspaper China Daily said that China, with its cheap labor, was already a major supplier of spare parts to IBM. During the first quarter of this year, IBM bought $11 million worth of spare parts, compared to a total of $20 million for all of last year.

Tianjin Zhonghuan Computer has 13 manufacturing plants in China and six joint ventures with investors from Hong Kong, Japan and the United States.

(Reuters, AFP)

Manila Tariff Plan Opposed

Compiled by Our Staff From Dispatches

MANILA — Philippine industry associations have asked the Supreme Court to stop President Corazon C. Aquino from implementing a plan to restructure tariffs to reduce protection to local industries.

A group of 12 corporations and manufacturing associations said the plan, designed to boost efficiency and employment, would affect their viability, court officials said.

The petitioners represented seven industry groups, including textile and paper millers and electric wire, iron and steel manufacturers.

Business leaders have warned of plant shutdowns and layoffs should the government proceed with the implementation of the plan Sept. 1.

According to court officials, the business leaders said that under the new tariffs, the country would be flooded with imported goods, prejudicing local industries.

(Reuters, AFP)

Tonga Defends Its Bid To Be Power in Space

Compiled by Our Staff From Dispatches

NUKU'ALOFA, Tonga — Tongasat, a satellite communications company based in Tonga, said Wednesday it will fight the powerful Intelsat organization for a place in space.

The company secretary, Kelepi Tupou, denied allegations from Intelsat, the international satellite authority, that Tongasat would auction the 16 orbital slots it has reserved to the highest bidder. He insisted that Tongasat plans to launch up to three satellites beaming television and telecommunications across Asia and the Pacific.

"What we have done has disjointed part of their plans, and their immediate reaction is to say we've got to squash this group," Mr. Tupou said. "They've got their big guns firing at us."

The Intelsat director-general, Dean Burch, this week accused Tongasat of speculation and said he would ask the International Telecommunications Union to consider changing global communications laws "to prevent such abuses from occurring."

Tonga has less than 100,000 inhabitants. Many outlying islands in the tropical archipelago have no telephones. Television remains rudimentary.

Intelsat officials have contended that Tonga is merely a front for financial speculation by an American entrepreneur, Matt C. Nilson. In 1987 when Mr. Nilson, who had been in the satellite business, persuaded King Taufa'ahau Tupou IV to sponsor an ambitious satellite system over the Pacific, Tongasat was formed.

Tongan officials concede that they can put up none of the money for the satellites they are proposing, and that Tongasat has only six employees.

(Reuters, NYT)

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INTERNATIONAL FUNDS

August 29, 1990

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

ABACUS FUNDS
(m) Abacus Fund Ltd. $ 10.0953
(b) Abacus Guart.Fd. Mar.'94 $ 10.21
(m) Abacus Guart.Fd. July'92 $ 10.10
ABC INVESTMENT & SERVICES CO (EC)
(m) ABC FUTURES FUND LTD $ 161.55
ABN BANK LD.86, P.O. Box 669, Amsterdam
(w) ABN-Aandelenfonds FL 68.98
(w) ABN-Beleggingsfds Ned. FL 55.18
(w) Aldollar $ 21.59
(w) Alrento FL [illegible]
(w) America-Fund (L.E) $ 153.85
(w) Asian Tigers Fund $ 29.76
(w) LDC Risk Inv.fund $ 1052.03
(w) Trans Europe Fund FL 74.89
(w) Trans Europe Fund $ 42.95
AIG FUND MANAGEMENT LTD.
(d) AIG Amer.Eq.Trust $ 22.25
(d) UBZ Euro Optimizer ECU 9.72
ALFRED BERG
(w)-Berg Norden Sicav $ 157.90
-Alfred Berg Sicav:
(w)-Global $ 125.53
(w)-Germany $ 130.72
(w)-Switzerland $ 107.87
(w)-Netherlands $ 91.57
AL-MAL BANK LIMITED.
(w) Investment Units $ 181.54
(w) Currency Units $ 114.36
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Arbitrage Fund $ 276.03
(m) Alpha Futures Fund Ltd. $ 128.54
(m) Alpha Global Fund $ 644.95
(m) Alpha Hedge Fund $ 239.97
(m) Alpha Pacific Fund Ltd. $ 284.62
(m) Alpha Short Fund Ltd. $ 112.75
(m) Curron-Alpha Hlth Care Fd. $ 69.15
(m) Nicholas-Applegate Hea Fd $ 114.53
(w) Heisei Japan Fund Y 15,477.00
(w) Nicholas-Applegate Aurelia $ 155.89
ARRAL ASSOCIATES LTD
(w) Arral Int'l hedge Fund $ 87.14
(w) Arral Asian fund $ 118.94
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond SF 835.00
(d) Conbar SF 1558.00
(d) Equibaer America SF 1704.00
(d) Equibaer Europe SF 1408.00
(d) Equibaer Pacific SF 945.00
(d) Stockbar SF 1730.00
(d) SFR-BAER SF 785.00
(d) Swissbar SF 2098.00
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 10172.00
(b) Germany Fixed Income DM 97.98
(b) Netherlands Fixed Income FL 99.45
(b) US Dollar Fixed Income US$ 103.52
(b) Japan Equity Y 10423.00
(b) Pacific Equity US$ 89.86
(b) Intl Portfolio 'A' US$ 97.63
(b) Intl Portfolio 'B' ECU 94.76
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,277.39
(r) Multicurrency Ecu ECU 1,205.27
(r) Multicurrency Yen Y 270,281.00
(r) Multicurrency FFR FF 10,848.57
BNP INTERFUNDS
BNP LUXEMBOURG
(w)INTERBOND FUND. $ 202.51
(w)INTERBELGIAN. FB 56,768.00
(w)INTERECU FUND 'A' ECU 254.17
(w)INTERECU FUND 'B' ECU 1063.47
INTER CASH
(t)France Securite. FF 12,713.24
(t)France Monetaire. FF 10,913.31
(t)ECU ECU 1,408.47
(t)US$ $ 1,177.36
(t)DM DM 2,146.95
(t)GBP £ 1,081.21
(t)FRF FF 14,789.38
(t)France Capital. FF 11,463.86
INTER OPTIMUM
(w)BEF/LUF FB 72,846.00
(w)Multidevises DM DM 2,007.40
(w)US$ $ 995.12
(w)FRF FF 10,445.57
INTER STRATEGIE
(w)France. FF 9,151.82
(w)Europe du Nord. £ 932.48
(w)Europe du Centre. DM 2,006.72
(w)Europe du Sud. ECU 979.64
(w)Japan. Y 142,851.00
(w)Amerique du Nord $ 979.20
(w)Sud-Est Asiatique. $ 825.12
BNP JERSEY
INTER CURRENCY
(w)US$ $ 11.7098
(w)DM DM 32.7487
(w)GBP £ 12.3122
(w)International Managed. $ 11.5410
INTER EQUITY
(w)French Offer. $ 17.96
(w)Pacific Offer. $ 22.19
(w)North American Offer. $ 12.09
(w)European Class. $ 11.85
(w)Australia Class. $ 10.89
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726614
(w) Int'l Equity Fund (Sicav) $ 10.76
(w) Int'l Bond Fund (Sicav) $ 11.96
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 30.87
(w) Asian Income Fund $ 8.93
(w) Diverbond SF 75.40
(m)Dual Futures Fd.Class A Units $ 108.01
(m)Dual Futures Fd.Class B Units $ 106.90
(m)Dual Futures Fd.Class C Units $ 102.96
(m)Dual Fut. Fd. Class D Units $ 162.07
(w) FIF-Internat. Div.A $ 19.19
(w) FIF-Internat. Div.B $ 20.19
(w) FIF Internat.America $ 15.27
(w) FIF Internat.Europe $ 20.73
(w) FIF Internat.Japan Y 1,062.00
(w) FIF Internat.Pacific $ 44.79
(w) FIF Intl.Spore+Malay. SG$ 8.25
(w) FIF Int. Nat. Res. A $ 12.86
(w) FIF Int. Nat. Res. B $ 13.20
(w) FIF Int. Switz. SF 91.64
(w) France International FF 90.07
(w) France Blue chips No 1 FF 106,263.03
(m)Galaxy Futures Fd Ltd $ 115.10
(w) Gestion Selective FF 4,714.06
(w) Himalayan Fund $ 10.23
(w) Indosuez Australia Fund $ 4.35
(d) Indosuez Hong Kong Fund $ 14.935
(w) Indosuez Mult. Div. A $ 134.77
(w) Indosuez Mult. Div.B $ 300.04
(w) Indosuez Multibonds US$ $ 110.21
(w) Indosuez Multibonds YEN Y 10,311.00
(w) Indosuez Mult. DM DM 105.67
(w) Int'l Bond Fund $ 11.095
(w) IPNA-3 $ 1120.00
(w) ISA Japan Res. Gr. Fd. Y 922.00
(w) Japan Fund $ 13.020
(d) Japan Warrant Fund $ 5.59
(w) Malacca Fund $ 16.06
(w) Managed Trust $ 17.293
(w) Manila Fund $ 7.59
(d) New Zealand Fund $ 7.42
(w) North American Fund $ 30.815
(d) Oriental Ventures Trust $ 43.000
(w) Pacific Gold Fund $ 12.42
(w) Pacific Trust HK$ 20.54
(d) Pacific Warrant Trust $ 7.325
(w) Precious Metals Trust $ 10.060
(w) The Dragon Fund Sicav $ 96.86

(w) The Siam Fund $ 25.19
(w) Sing. & Malay. Trust $ 13.595
(d) Worldwide Growth Fund $ 9.730
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 772.97
(w) Daiwa LCF Rothschild $ 1,044.55
(w) Ecu D'Or ECU 78.46
(w) Hispano Int'l Fund ECU 18.81
(b) Pri-Tech $ 1,171.52
(w) Source Sicav $ 72.22
BANQUE E. DE ROTHSCHILD LUX. SA
(b) Cortilor BP Fixed Inc.Fund DM 91.84
(b) Cortilor BP General Fund DM 114.88
(b) Eagle Fund LF 8,927.00
(b) Europe Japan Fund $ 10.34
(b) Governm. Sec. Funds $ 66.53
(b) Leicom $ 2,377.61
(b) Opportunities Fund $ 716.80
(b) Prifirst $ 519.86
(b) Primo fund DM 49.36
(b) Rente Plus BF 4,784.00
(t) Select. Horizon Dev. FF 64,332.00
(t) Select. Horizon Fl. FF [illegible]
(w) Star Conv. Fund FL LF 18,225.00
(b) Star Conv. Fund USD $ 101.99
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) Interbond Chf. SF 67.73
(w) Infelsec Chf. SF 159.06
(w) Universal Intelbond $ 15.45
(w) Universal Intelbond $ 24.92
(w) Universal Intelbond FF 108.16
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 13.60
(d) Non-$ Money Market DM 12.25
(d) $ Bond $ 13.78
(d) Non-$ Bond DM 20.40
(d) European Equities ECU 10.25
(d) Global Equity $ 16.59
(d) Global Bond $ 14.67
(d) Global Bond & Equity $ 14.74
(d) Pacific Equities $ 10.62
(d) Prec. Metals/Min. Secs $ 6.42
BW MANAGED ASSETS CY. SICAV
(t) Global Bond Fund $ 10.21
(t) European Securities Fd. ECU 14.80
(t) French Securities Fund FF 135.84
(t) North American Secu.Fund $ 12.45
(t) Pacific Basin Secu.Fund $ 9.42
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux Obl. Fses FF 6,070.03
(d) Fructilux-Obl.Euro ECU 1,121.45
(d) Fructilux-Act.Fses FF 6,287.25
(d) Fructilux-Act.Euro ECU 1,121.51
(d) Fructilux court terme FF 6,274.78
CALLANDER
(w) Callander Emer. Gr. $ 103.15
(w) Callander F-Asset $ 87.41
(w) Callander F-Austria AS 1,457.21
(w) Callander F-Spanish. Ptas 8,098.00
(w) Callander Swiss Gr. SF 139.40
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 88.41
(w) Capital Italia SA $ 38.22
CCF - GAMMA
(w) CM Actibonds $ 34.12
(w) CM Global Growth $ 10.46
(w) Elysees Court Terme FF 62,350.79
(w) Elysees Long Terme FF 56,112.47
(w) Elysees Monetaire FF 45,215.68
(w) EMF Sterlings (A & B) £ 548.97
(w) EMF Dutch Gul.(A&B) FL 1,026.81
(w) EMF D-Mark (A&B) DM 992.11
(w) EMF Ecu (A & B) ECU 1,048.92
(w) EMF US Dollar (A & B) $ 1,075.32
(w) EMF Yen (A & B) Y 98,275.00
(d) Europe Prest. Fd A ECU 9.45
(d) Europe Prest. Fd B ECU 11.12
(d) Euro. Smlr Cos. Fd A ECU 13.51
(d) Euro. Smlr Comp.Fd B ECU 13.51
CDC INTERNATIONAL
(w) CFI Court Terme FF 128,840.94
(w) CFI Long Terme FF 106,774.55
CIC GROUP
(d) Obiicic Monetaire FF 12392.53
(d) Obiicic Court Terme FF 12488.42
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1,405.46
(d) Citicurrencies Managed $ 122.97
(d) Citinvest Ecu Income ECU 1,288.33
(d) Citinvest Manag. Growth $ 1,194.54
(d) Cit.Mana.Growth Euro ECU 1,010.48
(d) Citinvest Selector $ 873.41
(d) Citinvest Guardian $ $ 1,081.08
(d) Citinvest Guard. Euro ECU 1,074.64
(d) Citiport N.A Equity $ 145.95
(d) Citiport Jap. Equity Y 7,569.08
(d) Citiport UK Equity £ 105.27
(d) Citiport IAPEC $ 134.89
(d) Citiport Cont.Euro. Eq. ECU 135.05
(d) Citiport N.A.$ Bond $ 117.83
(d) Citiport Euro Bond ECU 105.88
(d) Citiport AS.Pac.Bd. Y 10,957.00
(d) Citiport German DM 95.98
(d) Citiport Swiss SF 83.23
(d) Citiport EM. AS. EQ. SY
CITITRUST
(w) US. $ Equities $ 281.07148
(w) US. $ Bonds $ 12.79437
(w) US. $ Money Market $ 13.48875
(w) Citiland $ 844.41570
(w) Citiperformance Pfl S.A $ 9.25237
(w) Global Equities $ 8.11800
(w) Global Money Market $ 12.50900
(w) Global Bonds $ 11.13000
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond:Dollar Med.Term $ 10.34*
(w) Bond:Ecu Multicur. ECU 9.54*
(w) Equity:United Kingdom £ 9.11*
CONTINENTAL PACIFIC GROUP
(m)Intl Metals Inv. Corp. $ 86.51
(m)Intl Liq. I Inv. Corp $ 178.47
(m)Intl Bonds Inv. Corp. $ 122.43
(m)Intl Liq. II Inv. Corp. SF 181.64
(m)Intl Spec. II Inv. Co. SF 87.75
(m)Intl Shares Inv. Corp. $ 156.57
CREDIT AGRICOLE: MOSAIS
(d) Actions Bassin Pacif. $ 13.93
(d) Actions Europeennes ECU 14.48
(d) Actions Francaises FF 99.32
(d) Actions Int. Div. FF 180.47
(d) Actions Japon Y 2,084.35
(d) Actions Nord-Am. $ 17.35
(d) Court Terme ECU ECU 15.78
(d) Court Terme FRF FF 105.24
(d) Court Terme USD $ 14.95
(d) Oblig. Europeennes ECU 15.60
(d) Oblig. Francaises FF 184.98
(d) Oblig. Int. Rendt. $ 16.47
(d) Oblig. Int. diversifiees FF 182.64
(d) Oblig. Int.Div.Sensib.Red FF 182.86
(d) Oblig. N. Americaines $ 15.09
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 71.25
(d) Bond Valor Swf SF 94.95
(d) Bond Valor US-DOLLAR $ 124.49
(d) Bond Valor D-mark DM 122.06
(d) Bond Valor Yen Y 10,029.00
(d) Bond Valor £ Sterling £ 91.93
(d) Convert Valor Swf SF 141.30
(d) Convert Valor US-DOLLR $ 189.82
(d) CSF International SF 117.75
(d) Actions Suisses SF 335.75
(d) Europa-Valor SF 200.98

(d) Energie-Valor SF 140.75
(d) Canasec SF 485.00
(d) Ussec SF 836.00
(d) Pacific-Valor SF 132.75
(d) CS Eu. Blue Chips A DM 246.60
(d) CS Eu. Blue Chips B DM 246.60
(d) CS Gold Valor $ 178.25
(d) CS Ecu Bond A ECU 99.22
(d) CS Ecu Bond B ECU 122.03
(d) CS Euro Finance Fd 'A' DM 225.13
(d) CS Euro Finance Fd 'B' DM 225.13
(d) CS Europa Bond 'A' DM 244.51
(d) CS Europa Bond 'B' DM 267.48
(d) CS Gulden Bond A FL 95.75
(d) CS Gulden Bond B FL 172.02
(d) CS Hispano Iberia Fd 'A' PTS 22,422.00
(d) CS Hispano Iberia Fd 'B' PTS 22,422.00
(d) CS Money Market Fund C£ 1,009.25
(d) CS Money Market Fund ECU 1,008.47
(d) CS Prime Bond 'A' DM 88.62
(d) CS Prime Bond 'B' DM 100.24
(d) CS Short-T. Bd DM A DM 97.12
(d) CS Short-T. Bd DM B DM 114.17
(d) CS Short-T. Bd $ A $ 101.20
(d) CS Short-T. Bd $ B $ 123.43
(d) CS Money Market Fund $ 1,510.36
(d) CS Money Market Fund DM 1,252.11
(d) CS Money Market Fund £ 1,712.74
(d) CS Money Market Fd Yen Y 122,559.00
(d) CS Tiger Fund $ 540.47
DIT INVESTMENT FFM
+(d) Concentra DM 46.73
+(d) Int'l Rentenfond DM 71.50
EBC TRUST CO.(JERSEY) LTD.
1-3 Sele St.,St. Helier:0534-36331
EBC AMRO TRADED CURRENCY FUND.
@(d)Inc.: Bid $ 14.23 Offer $ 15.336
@(d)Cap.: Bid $ 22.28 Offer $ 23.926
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 0.7701
(d) Short Term 'A' (Distr) $ 0.5003
(d) Short Term 'B' (Accum) $ 1.2032
(d) Short Term 'B' (Distr) $ 0.8575
(w) Long Term $ 32.9441
ELDERS INT'L MGMT SRVCS
PRISM ASSET MANAGEMENT
ELDERS SWITZ (022) 25 17 25
(w)Elders Int Bid SF 105.25 Offer SF 107.25
(w)Elders Aus Bid A$ 86.75 Offer A$ 97.75
EQUIFLEX LIMITED
(w) Europe A FL 18.48
(w) North America A FL 8.65
(w) U.K. Equities £
(w) U.K. Small Co. £ 7.02
EURO PACIFIC ADVISERS Ltd.
(w) Meisora Y 116,466.00
(w) Pacific Horizon Invt. Fd $ 1,929.05
FOREIGN & COLONIAL MGT. LTD.
1, Laurence Pountry Hill, EC4, 01-623-4680
(w) Amer.Smaller Cos.Eq.Pftl. $ 10.12
(w) Oriental Equity Pftl. $ 10.09
(w) European Equity Pftl. $ 14.70
(w) Nordic Equity Pftl. $ 16.25
(w) Amer. Mgd. Equity Pftl. $ 9.35
(d) Western Pac. Equity Pftl. $ 10.72
(d) Mediterranean Equity Pftl. $ 18.97
(d) British Equity Portfolio £ 10.32
(d) U.S.$ Sh. Term Asset Pftl. $ 10.08
(d) Sterling Sh. Term Asset Pftl. £ 10.45
(d) North American Bond Pftl. $ 9.83*
(d) Multi-Currency Bond Pftl. $ 10.30*
(d) Sterling Bond Portfolio £ 9.44*
(d) Ecu Bond Pftl ECU 10.00
FIDELITY INT'L INV. MGMT (LUX.) S.A.
(d)New Europe Fund $ 11.26
(d)Fidelity Conv. Sec. Portf. $ 9.41
FIDELITY POB 670, Hamilton Bermuda
(m) Fid.Amer.Val.I Com. $ 98.23
(m) Fid.Amer.Val.II Com. $ 68.93
(m) Fid.Amr.Val.III Cum.Pref $ 182.84
(d) Fidelity Amer. Assets $ 125.56
(d) Fidelity Australia Fund $ 16.38
(d) Fidelity Dir. Svgs.Tr. $ 178.44
(d) Fidelity Pacific Fund $ 322.05
FIDELITY INT'L SERVICE (LUX.)
(d) Balanced Portfolio-hedged $ 9.49
(d) Balanced Portfolio-unhedg $ 10.12
(d) Fidelity Discovery Fund $ 15.80
(d) Fidelity Far East Fund $ 46.29
(d) Fidelity Frontier Fund $ 20.89
(d) Fidelity Global Ind. Fd $ 13.42
(d) Fidelity Global Selct Fd $ 13.00
(d) Fidelity Int'l. Fund $ 14.89
(d) Fidelity Orient Fund $ 100.07
(d) Fidelity Spcl. Growth Fd. $ 36.06
(d) Fidelity World Fund $ 63.59
FIDELITY INT'L (CI) LTD.
FIDELITY PERFORM PORTFOLIOS LTD.
(d) American Portfolio $ 0.94
(d) European Portfolio $ 1.87
(d) Japan Portfolio $ 1.10
(d) South East Asian Portfolio $ 1.10
(d) U.K. Portfolio $ 1.09
(d) Int'l. Bond Portfolio $ 0.95
(d) Sterling Liquidity Pftl. £ 10.80*
(d) Dollar Liquidity Portfolio $ 10.00*
FIMAFUTURES (BVI) Ltd
(w) Portfolio (est.) $ 1.1284
FOKUS BANK A.S. 472 428 555
(w) Scanfonds Int'l growth fd $ 1.52
GAIA CURRENCY FUNDS
(w)Gaia Hedge I $ 121.15 Red $ 120.65
(w)Gaia Hedge II $ 309.47 Red $ 303.40
(w)Gaia Hedge III $ 280.52 Red $ 193.12
GARTMORE FUND MANAGERS INT.
45,La Motte Street, JERSEY 0534 27301
CAPITAL STRATEGY FD. LTD.
(d) American $ 1.402
(d) Canadian fund Can$ 0.8376
(d) British £ 2.185
(d) European Fund DM 5.790
(d) Eastern European Fd DM 5.070
(d) Asia Pacific Fund $ 2.075
(d) Japan Fund Y 662.2
(d) Australasian Fund £ 0.3387
(d) Global Resources Fund £ 0.8435
(d) Emerging Markets Fund $ 1.179
(d) International growth $ 2.794
(d) Sterling Bond £ 1.802
(d) E.C.U. Bond Fund ECU 8.9432
(d) International Bond $ 1.221
(d) US$ Deposit $ 1.036
(d) Sterling Deposit £ 1.036
(d) French Franc Deposit Fd FF 10.46
(d) Sw. Fr. Deposit SF 5.201
(d) DM Deposit DM 3.166
(d) Yen Deposit Y 315.8
(d) Austr.Dollar Dep. Fd A$ 1.070
(d) Global Conv. Bond Fd $ 17.13
GEFINOR FUNDS
London:071-4994171, Geneva:41-22355530
(w) East Investment Fund $ 829.68
(w) Scottish World Fund £ 169.5133
(w) State St. American $ 298.96
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 29.76
(d) Capital Rentinvest $ 137.94
(d) Rentinbel Distr. LF 9,669.00
(d) Rentinbel Cap. LF 11,074.00

GAM ANLAGEFONDS AG.
POB 144, 8034 Zurich Tel.41-1-2516648
(d)GAM (CH) America SF 1197.00
(d)GAM (CH) Europe SF 83.00
(d)GAM (CH) Mondial SF 1204.00
(d)GAM (CH) Pacific SF 1575.00
(d)GAM Tradition SF 872.00
GENESEE FUND LTD. 22/08/90
(w) (B)Genesee Short $ 108.28
(w) (C)Genesee Opportunity $ 100.17
GLOBAL ASSET MANAGEMENT CORP.
11 Athol St.Douglas,I. of Man,44-624-26037
(w) GAM Arbitrage Inc $ 223.81
(w) GAM America Inc $ 209.11
(w) GAM Australia Inc. $ 128.28
(w) GAM Asean Inc $ 156.05
(w) GAM Bond Fund Inc U.S Ord. $ 109.63
(w) GAM Bond Fund Inc U.S Spe. $ 130.64
(w) GAM Bond Fund Inc. SF 89.58
(w) GAM Bond Fund Inc. £ 97.99
(w) GAM Bond Fund Inc. DM 86.22
(w) GAM Bond Fund Inc. Y 10,884.00
(w) GAM Boston Inc $ 233.63
(w) GAM Ermitage $ 34.19
(w) GAM Europe Fund $ 92.87
(w) GAM European Inc $ 108.77
(w) GAM Franc-Val Inc. SF 182.60
(w) GAM France Inc FF 1480.54
(w) GAM Global Fund $ 122.48
(w) GAM High Yield Inc $ 92.81
(w) GAM Hong Kong Inc $ 200.90
(w) GAM International Inc $ 159.85
(w) GAM Japan Inc $ 555.67
(w) GAM Money Mkts. Fund $ 101.32
(w) GAM Money Mkts. Fund £ 102.47
(w) GAM Money Mkts. Fund SF 101.41
(w) GAM Money Mkts. Fund DM 101.25
(w) GAM Money Mkts. Fund Y 10,118.00
(w) GAM Mlti-Mgr Deferred Cl $ 108.00
(w) GAM Mlti-Mgr Fd Inc Gen Eq $ 102.03
(w) GAM Mlti-Mgr Fd Inc Alloc. $ 101.97
(w) GAM Mlti-Mgr Fd - Trading $ 107.36
(w) GAM North America Fund $ 99.59
(w) GAM Pacific Basin Fund $ 124.18
(w) GAM Pacific Inc $ 503.88
(w) GAM Restr. Fd. Inc. $ 125.09
(w) GAM Singapore/Malay Inc $ 225.05
(w) GAM Swiss Fr Spec Bd Fd SF 91.19
(w) GAM Univ. D-Mark Fd. DM 100.20
(w) GAM Universal Fund $ 100.00
(w) GAM Value Inc. $ 91.76
(w) GAM Worldwide Inc $ 410.93
(w) GAM Tyche S.A. Class A $ 170.71
(w) GAM Universal (Sp) Inc. SF 88.92
(w) GAM U.S. Inc. $ 157.27
(w) GAM Whitehorn Fund Inc. $ 123.20
(w) GAM ut Inc. $ 389.53
(w) GSAM Composite Inc. $ 222.93
G.T. MANAGEMENT PLC
(d) G.T. ASEAN Fund $ 50.31
(d) G.T. Asia Fund $ 16.08
(d) G.T. Australia Fund $ 25.99
(d) G.T. Berry Japan Fund $ 35.11
(d) G.T. Biotech./Health Fund $ 10.22
(d) G.T. Bond Fund $ 16.37
(d) G.T. Britain Fund £ 6.74
(w) G.T. Deutschland Fund $ 13.93
(d) G.T. Dollar Fund $ 17.74
(d) G.T. Europe Fund $ 34.32
(w) G.T. Emerging Mkts Fund $ 8.79
(w) G.T. Euro. Small Cos. Fund $ 35.05
(w) G.T. Global Small Cos.Fund $ 16.71
(d) G.T.Global Techno. Fd $ 15.72
(d) G.T. Hong Kong Fund $ 28.00
(d) G.T. Honshu Pathfinder $ 72.51
(d) G.T. Investment Fund $ 13.51
(w) G.T. Japan OTC Stocks Fund $ 10.85
(w) G.T. Japan Sml Co.Fd $ 16.33
(w) G.T. Korea Fund $ 5.49
(w) G.T. Nat Res. Fd Gold Class $ 5.63
(d) G.T. Newly Ind. Countr. Fd $ 28.53
(d) G.T. Select Dollar Bd Pfl $
(d) G.T. Select Int Bd Pfl. £
(d) G.T. Select Gilt Pfl. £
(r) G.T. Technology Fund $ 33.28
(d) G.T. U.K. Small Companies £ 7.79
(d) G.T. U.S. Small Companies $ 13.97
HENDERSON HORIZON FUND
(d) HHF Japan Portfolio $ 11.18
(d) HHF Japan Sm. Cos. Pftl. $ 21.33
(d) HHF Pacific Portfolio $ 11.49
(d) HHF North Amer.Portfolio $ 4.61
(d) HHF European Portfolio $ 8.41
(d) HHF U.K. Portfolio £ 5.91
(d) HHF Global Portfolio $ 9.15
(d) HHF Fixed Interest Pftl. $ 8.66
(d) HHF Dollar Liq. Pftl. $ 0.8057
(d) HHF Sterling Liq. Pftl. £ 1.0933
(d) HHF Invt. Cos. Pftl. $ 10.56
HENDERSON PTFL. MGT. SERVICE
(d) HPMS Dol. Bal. Gr. Pftl. $ 1.853
(d) HPMS Sterl. Bal. Gr. Pftl £ 1.065
(d) HPMS Dol. Sel Markets Pftl $ 1.920
(d) HPMS Dol.Income & Gr. Pftl $ 1.787
(d) HPMS Sterl. High Inc. Pftl. £ 0.582
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Pftl UK Equity £ 8.71
(d) H. S. Glbl Pftl UK Sm.Co.Eq. £ 9.93
(d) H. S. Glbl Pftl N.Amer. Eq. $ 9.03
(d) H. S. Glbl Pftl US Sm.Co.Eq. $ 9.20
(d) H. S. Glbl Pftl Pac.Bas.Eq. $ 9.31
(d) H. S. Glbl Pftl Jap. Eq. Y 801.00
(d) H. S. Glbl Pftl Euro Eq. DM 9.25
(d) H. S. Glbl Pftl St.Fix.Int. £ 9.74
(d) H. S. Glbl Pftl Eu.Fix.Int. DM 9.10
(d) H. S. Glbl Pftl Glbl. Eq. $ 9.49
(d) H. S. Glbl Pftl Glbl. Bond $ 9.58
(d) H. S. Glbl Pftl Glbl. Mgd. $ 9.37
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 12.37
(d) CSF (Balanced) SF 32.79
(d) European Equity Fund DM 18.63
(d) Intnl. Bond Fund $ 12.92
(d) Int. Currency U.S.Manag'd $ 28.37
(d) ITF Fd (Technology) $ 19.05
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 27.98
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 91.75
(w) Iam Bonds Fund Diversifie $ 503.48
(w) Iam Bonds Fund-France FF 605.19
(w) Iam Bonds Fund-Deutschl DM 223.49
(w) Iam Bonds Fund-Japan Y 10,431.00
(w) Iam Bonds Fund-Switz. FS 289.85
(w) Iam Bonds Fund-Europe ECU 117.26
(w) Iam Europe global ECU 87.19
(w) Iam Europe luxe ECU 95.08
(w) Iam Europe 92/10 ECU 103.41
(w) Iam Europe 1992 ECU 94.16
(w) Iam Europe du Sud ECU 93.82
INTERSELEX GROUP
(d) Int.America Fund $ 16.02
(d) Int.Belgo Fund BF 2,849.00
(d) Int.Europa Sicav LF 5,084.00
(d) Int.Pacific Fund $ 954.52
(d) Int.World Fund $ 87.75

ITALFORTUNE INTL. FUNDS.
(w) Class A (Aggr.Growth Ital.) $ 49.40
(w) Class B (Global Equity) $ 10.68
(w) Class C (Global Bond) $ 11.45
(w) Class D (Ecu Bond) ECU 9.81
ISLAMIC MGMT FUND LTD $ 1028.96
CSFB Fund Mgmt Ltd (0481-713996)
PB122 St. Peter Port,Guernsey
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 17,601.00
(d) J.F Pacific Sec. Trust $ 24.53
(d) J.F Pacific Income Trust $ 76.74
(d) J.F Hong Kong Trust $ 72.71
(d) J.F European $ 12.22
(d) J.F International $ 13.51
(d) J.F Gib Convertibles Trust $ 12.10
KIDDER,PEABODY & Co.Incorporated.
(b) Chesapeake Fund Ltd. $ 1,493.89
(b) Stonehenge Ltd. $ 1,149.75
KLEINWORT BENSON SELECT FUND
(d)British Fund ECU 1.74
(d)Emerging Asia Fund ECU 1.58
(d)European Fund ECU 1.75
(d)Japanese Fund ECU 1.70
(d)International Fund ECU 1.57
(d)North American Fund ECU 1.56
(d)Pacific Fund ECU 1.60
LIPPO ASIA LIMITED
(w)Java Fund $ 10.02
LLOYDS BANK PLC, POB 438, Geneva 11
Mr. Peter King, 41 (22) 3073333/ext. 3394
+(w)Lloyds Int'l Dollar $ 111.40
+(w)Lloyds Int'l Europe SF 149.40
+(w)Lloyds Int'l Growth SF 173.20
+(w)Lloyds Int'l Income SF 252.00
+(w)Lloyds Int'l N. America $ 156.15
+(w)Lloyds Int'l Pacific SF 144.50
+(w)Lloyds Int'l Smaller Cos $ 15.65
MALABAR CAP MGMT (BERMUDA) LTD.
(m) Malabar Intl.Fund $ 10.34
MAN INTERNATIONAL FUTURES
(m) Athena $ 9.93
(m) Alubat Mint Gtd.Fund.Ltd. $ 105.91
(m) Mint Limited - Ordinary $ 45.55
(m) Mint Limited - Income $ 15.09*
(m) Mint Gtd Ltd - Spec Issue $ 22.45
(m) Mint Gtd Ltd - Series A $ 24.38
(m) Mint Gtd Ltd - Nov 1993 $ 21.41
(m) Mint Gtd Ltd - Jan 1994 $ 17.47
(m) Mint Gtd Ltd - Dec 1994 $ 15.30
(m) Mint Gtd Ltd - Aug 1995 $ 12.45
(m) Fbme Mint Gtd Plc $ 122.51
(m) Mint Sp Res Ltd (BNP) $ 112.08
(m) Newcastle Guaranteed Ltd $ 12.08
MAGNUM FUTURES FUND LTD.
(m) Deutschemark Class DM 19.93
(m) Sterling Class £ 5.04
(m) U.S Dollar Class $ 9.04
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) Iberia portfolio $ 10.40
(d) Multi-Curr. Bond Portfolio $ 16.07
(d) U.S.A Income Portfolio $ 9.32
(d) US Federal Securites $ 9.70
(d) World Nat Res Pfl. Share A $ 11.70
(d) World Nat Res Pfl. Share B $ 11.62
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Pfl. $ 11.63
(d) Canadian Dollar Pfl. C$ 10.08
(d) Deutschmark Portfolio DM 9.87
(d) Pound Sterling Portfolion £ 10.40
(d) US Dollar Portfolion $ 10.89
(d) Yen Portfolio Y 970.00
M. LYNCH MLT.NAT'L INV PFL-EQ
GLOBAL EQUITY PORTFOLIO
(d) Class A $ 9.46
(d) Class B $ 9.30
CONVERTIBLE SECURITIES PTFL.
(d) Class A $ 10.65
(d) Class B $ 10.60
BASIC VALUE PORTFOLIO
(d) Class A $ 9.03
(d) Class B $ 8.99
MIM BRITANNIA,POB 271,St. Helier, Jersey
(d) Amer. Inc. & Growth $ 1.251*
(d) Asia Super Growth Fund $ 12.34*
(d) Dollar Man.Curr $ 14.24
(d) Dollar Man. Port $ 2.103
(d) Gold & Prec. Metals $ 0.995
(d) Gtd. N.W. 1994 $ 8.31
(d) Int.High Income $ 2.449
(d) Japan Dollar Perf. Fd $ 3.581
(d) Jersey Gilt £ 0.1651*
(d) Nippon Warrant Fund $ 14.57
(d) Okasan Global Strat $ 16.42
(d) Pioneer Markets £ 2.47
(d) Sterling Man.Port £ 1.48
(d) Sterling Man. Curr. £ 16.95
(d) U.K. Growth £ 0.945
NIMARBEN
(w) Class A $ 161.27
NMB BANK,PO 1800,1000 BV Amsterdam.
(w) The Brazil Fund $ 1.37
(w) NMB Dutch Fund FL 36.00
(d) NMB Real Estate Fund FL 37.60
(d) NMB Euromix Fund LF 2.007
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 8.25
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 10.80
OBLIFLEX LIMITED
(w) Multicurrency $ 22.42
(w) Dollar Medium Term $ 17.22
(w) Dollar Long Term $ 14.04
(w) Japanese Yen $ 22.56
(w) Pound Sterling £ 15.71
(w) Deutsche Mark DM 12.61
(w) Dutch Florin FL 12.84
(w) Dutch Florin Multi. FL 10.34
(w) HY Euro. Currencies ECU 10.34
(w) HY Euro.Curr.Divi.Pay. ECU 9.87
(w) Swiss Franc SF 10.41
(w) Swiss Franc Divi. paying SF 10.13
(w) US Dollar Short Term $ 10.40
(w) Swiss Multicurrency SF 10.97
(w) European Currency ECU 14.33
(w) Convertibles $ 11.30
(w) French Franc F 103.59
(w) Swiss Multi-dividend SF 8.33
OLYMPIA Capital Intl.BVI
c/o OCM, 17 ave. George V, 75008 Paris
tel.: 33-1-47230274
(w)Finsbury Group $ 129.18
(w)Olympia Securite $ 99.23
(w)Winchester Capital $ 101.56
(w)Winchester Frontier $ 185.72
(w)Winch.Hold.-Intl.SerD ECU 1,197.90
(w)Winch.Hold.-Intl.SerF ECU 1,183.96
(w)Winchester Hold.-US$ $ 15.94
(w)Winch.Reser.Multi.Gvbd $ 13.19
(m)Winch.Fut.Divers. $ 16.10*
(m)Winch.Fut.Orion $ 17.71*
PARIBAS-GROUP
(d) Belux Fund LF 11,619.00
(d) Cortexa International $ 109.25
(d) Ecupar ECU 1,421.23
(d) Luxor $ 9.28
(d) Moneyflow LF 10,222.00
(d) Parinter Fund $ 213.17
(d) Par US Treas. Bond 'CL B' $ 157.90

(d) Europhenix ECU 170.12
(d) Parinter Bond Fund $ 13.35
(d) Paribas-Rente 'A' LF 1,193.00
(d) Paribas-Rente 'B' LF 1,278.00
(d) Parvest Obli-Franc 'A' F 1,297.29
(d) Parvest Obli-Franc 'B' F 1,297.29
(d) Parvest Obli-Sterling £ 100.37
(w) Parvest SF 880.02
(w) Parvest Obli-DM 'A' DM 1,171.48
(w) Parvest Obli-DM 'B' DM 1,307.43
(w) Obligestion SF 85.78
(w) Parvest Obli-Dollar 'A' $ 1,159.79
(w) Parvest Obli-Dollar 'B' $ 1,324.44
(w) Parvest Obli-Yen 'A' Y 105,964.00
(w) Parvest Obli-Yen 'B' Y 115,635.00
(w) Parvest Obli-Gulden 'A' FL 978.71
(w) Parvest Obli-Gulden 'B' FL 1,113.00
(w) Parsuisse SF 1,368.75
(w) Parjapan Y 3,128.00
PERMAL GROUP
(m) Drakkar Growth $ 2,157.73
(m) EuroMir (ECU) Ltd. ECU 1,105.50
(m) Media Ltd. $ 770.31
(m) Noscal Ltd $ 1,505.29
(m) Special Opportunities Ltd $ 1,495.61
(w) Updvke Ltd $ 277.25
(m) Value N.V. $ 1,971.35
PIERSON,HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 30.41
(w) Asian Selection Fd. N.V. FL 44.84
(w) DP Amer. Growth Fd N.V. $ 22.89
(w) Eur. Growth Fund N.V. FL 57.08
(w) Japan Diversified Fund $ 41.74
(w) Leveraged Cap Hold $ 334.02
(w) Tokyo Pac. Hold. N.V. $ 224.70
PIONEER GROUP
(d) Pioneer Fund $ 22.47
(d) Pioneer II $ 18.21
PRISM ASSET MANAGEMENT
(212) 573-0440 advisor to:
(d) EFF $ 331.13
(d) PTJ $ 92.36
(d) RAINBOW $ 100.89
(d) CONQUEROR $ 89.36
PUTNAM
(d) Emerging Hlth Sc. Trust $ 18.38
(w) Putnam Em. Info. Sc. Tr $ 13.17
(d) Putnam Glob. High Growth $ 12.39
(d) Putnam High Inc. GNMA Fd $ 8.95
(d) Putnam Int'l Fund $ 11.70
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 89.50
(d) Rolinco FL 86.70
(d) Rorento FL 57.10
(d) Rodamco FL 74.90
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Sea) $ 163.96
ROYAL B. CANADA,POB 246,GUERNSEY
+(w)RBC British Fund Ltd. £ 4.860
+(w)RBC Canadian Fund Ltd C$ 13.40
+(w)RBC European Fund $ 13.25
+(w)RBC Far East&Pacific Fd $ 43.61
+(w)RBC Int'l Capital Fd $ 54.15*
+(w)RBC Int'l Bond Fund Ltd. $ 13.49
+(d)RBC Man.Currency Fd $ 41.67
+(w)RBC North Amer. Fd $ 14.07*
ROYAL TRUST ASSETMIX FUND
Lux.Tel.:(352)489061
EQUITY FUNDS
(d)Alpha UK £ 1.14
(d)Alpha US$ $ 1.22
(d)Alpha Worldwide SF 4.14
(d)Alpha Japanese Y 894.00
(d)Alpha Pacific Rim $ 1.30
(d)Alpha European ECU 1.12
(d)Gold Share $ 1.20
BOND FUNDS
(d)Sterling Pound £ 101.68
(d)US$ Bond US$ 103.33
(d)Deutschmark Bond DM 48.32
(d)Alpha Worldwide SF 46.86
RESERVE FUNDS
(d)Sterling Reserve £ 12.508
(d)US$ Reserve $ 11.347
(d)Deutschmark Reserve DM 11.019
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w)Equity Intl Acc $ 13.20
(w)Equity Intl Inc $ 11.96
(d)Equity Global $ 1.29
(w)Equity Far East $ 1.93
(w)Equity Gold $ 0.95
(w)Equity Japan Y 126.00
(d)Equity Nordic $ 1.51
(d)Equity U.K. £ 1.22
(d)Equity Continental Europe $ 1.33
(d)Equity Mediterranean $ 1.13
(d)Equity North America $ 1.26
(d)Bond DEM DM 0.92
(w)Bond Intl Acc $ 8.76
(w)Bond Intl Inc $ 6.77
(d)Bond Sweden SEK 10.48
(d)Bond Dollar $ 1.02
(w)High Income Acc $ 1.25
(w)High Income Inc $ 1.08
(w)Multicurrency $ 1.2912
SOCIETE GENERALE GROUP
(w) Sogelux Fund (SF)
(w) SF Bonds A U.S.A $ 12.19
(w) SF Bonds B Germany DM 22.97
(w) SF Bonds C France FF 90.03
(w) SF Bonds D Switz. SF 30.13
(w) SF Bonds E G.B. £ 8.57
(w) SF Bonds F Japan Y 1625.00
(w) SF Bonds G Europe ECU 12.47
(w) SF Bonds H World Wide $ 12.94
(w) SF Bonds J Belgium BF 591.00
(w) SF Eq. K North America $ 12.42
(w) SF Eq. L W. Europe ECU 12.01
(w) SF Eq. M Pacific Basin Y 1438.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 12.51
(w) SF Equities Q Gold Mines $ 12.22
(w) SF Equities R World Wide $ 12.17
(w) SF Short Term S France FF 122.78
(w) SF Short Term T Eur. ECU 12.02
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc. $ 106.81
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse,L-2330 Luxembourg
(w) Neptune Maritime Fund $ 8.80
(b) SHB Bond Fund $ 46.33
(w) Svenska Select.Fd Intl Sh. $ 49.85
(w) Svenska Select.Fd America Sh $ 11.46
(w) Svenska Select.Fd Pacif.Shares $ 4.20
(w) Svenska Select.Fd Germany DM 9.46
(d) Svenska Sel.Fd Intl Bd.Sh $ 10.94
(w) Svenska Select.Fd Japan Y 964.82
(d) Svenska Sel.Fd Nordic Shs $ 11.77
(d) Svenska Sel.Fd S/T Acc.Sh $ 10.60
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor $ 275.70
(d) AngloValor £ 168.04
(d) Asia Portfolio SF 485.49
(d) Convert Bond Selection SF 88.94
(d) Dollar Bond Selection $ 134.30
(d) D-Mark Bond Selection DM 106.73
(d) Ecu Bond Selection ECU 97.51

(d) Florin Bond Selection FL 111.53
(d) FranceValor FF 1,591.59
(d) GermaniaValor DM 495.03
(d) Gold Portfolio SF 366.10
(d) ItalValor Lit 432,583.00
(d) Japan Portfolio Y 30,385.00
(d) SBC Ecu MMF. ECU 2,753.69
(d) SBC Euro Stock ECU
(d) SBC £ MMF. £ 2,059.21
(d) SBC Yen MMF. Y 506,880.00
(d) SBC US$ MMF $ 4,183.12
(d) SBC 100 Index Fund SF 1,018.00
(d) SBC Str Bond A/B SF 1,031.64
(d) Sterling Bond Selection £ 103.89
(d) Sw. Foreign Bond Selec. SF 99.54
(d) Swissvalor SF 337.50
(d) Universal Bond Select. SF 70.50
(d) UniversalFund SF 98.94
(d) Yen Bond Selection Y 11,063.00
TEMPLETON W.WIDE INVESTMENTS
(d) GROWTH PORTFOLIO
(d) Class A-1 $ 9.56
(d) Class A-2 $ 9.86
(d) Class A-3 $ 9.49
(d) Class B-1 $ 9.47
(d) Class B-2 $ 9.76
(d) INCOME PORTFOLIO
(d) Class A $ 10.93
(d) Class B $ 10.87
TERMINVEST Tel: 40.78.92.89
(m) Dual Fut. Fd. cl. D Units $ 103.07
(m) Galaxy Futures Fd. Ltd. $ 115.10
THORNTON MANAGEMENT LTD.
(d) Thornton Inl pac.fund £ 1.82
(d) Pacific Invt. Fd. S.A. £ 8.37
(d) Pac.Invt. Fd SA DM 25.26
(d) Pac.Invt. Wrnts Fd.S.A. DM 10.17
(d) Pac.Invt. Warrants Fd.S.A. £ 3.37
(d) Thornton Kangaroo Fd Ltd. $ 9.39
(d) Thornton HK & China $ 13.12
(d) Thornton Japan Fund Ltd $ 30.37
(d) Thornton Orient.Inc. Fd Ltd $ 22.41
(w) Thornton Phil. Redev. Fd $ 27.56
(d) Thornton Tiger Fund Ltd $ 30.21
(d) Thor.Litt. Dragons Fd Ltd $ 22.92
(d) Thor.Golden Opport.Fd $ 5.09
(d) Eastern Crusader Fund $ 9.46
(w) The Global Access Fund $ 9.6
NEW TIGER SEL. FUND
(d) Thailand $ 9.96
(d) Malaysia $ 9.50
(d) Indonesia $ 9.38
T. Rowe Price Associates Inc.
(m)T. Rowe Price Frontier Ltd. $ 10.83
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27963
(d) Amer Spec Sits $ 41.47
(d) Eurobond $ 29.92
(d) Mortgage C$ 14.36
(d) Overseas $ 25.02
(d) Tiger $ 40.65
(d) High Yield Bond £ 63.2
(d) Marunouchi £ 77.0
(d) Far Eastern £ 475.5
(d) Gilt £ 507.9
(d) Mad Currency-Dollar $ 1.521
(d) Mad Currency-Stlg £ 128.6
(d) 1992 £ 250.0
(d) Wall Street £ 194.5
(d) HI Inc Gilt & Bulldog £ 96.0
UEBERSEEBANK, ZURICH
(d) B-FUND SF 913.47
(d) M-FUND SF 976.80
(d) E-FUND SF 514.35
(d) J-FUND SF 327.08
(d) M-Distribution SF 91.80
(d) UBZ Euro-Income Fund SF 9.08
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 32.25
(d) Bond-Invest SF 55.00
(d) Brit-Invest Shares SF 702.00
(d) D-Mark-Invest Bds DM 189.20
(d) Dollar-Invest Bds $ 105.50
(d) ESPAC Spanish sh SF 179.00
(d) Eurit SF 308.50
(d) Fonsa Swiss Sh. SF 185.00
(d) Francit Shares. SF 189.50
(d) Germac Shares. SF 218.00
(d) Globinvest Shares. SF 90.00
(d) Gold Invest Shares. SF 210.00
(d) Holland-Invest Sh. SF 207.00
(d) Itac Shares SF 194.50
(d) Japan-Invest Sh. SF 1,070.50
(d) Sima (stock price) SF 235.00
(d) Skandinavien-Invest SF 243.00
(d) UBS Money Mkt Inv. $ 1,066.09
(d) Yen-Invest Bonds. Y 79,060.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 36.60
(d) Unifonds DM 35.70
(d) Unirak DM 76.30
(d) Unizins DM 107.40
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(d) Univers Sav Nat. Res C$ 5.88

Other Funds

(r) Acticroissance $ 524.80
(d) Actifinance Intl $ 1,117.10
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(d) Amvabel FL 68.20
(w) Aquila International Fund $ 267.21
(b) Ariane $ 3,954.49
(d) Asia Oceania Fund $ 8.95
(m) Associated Investors Inc. $ 780.80
(m) Atlantic Fund $ 85.02
(d) Atlas Fund SF 80.41
(r) Australia Fund $ 17.40
(m) BB Futures Ltd. $ 1090.56
(w) BDD Inv Fund-Ecu Bd ECU 5,247.20
(w) BEM International $ 4.94
(w) Bergen Int'l Fund $ 11.10
(d) Bever Beleggingen++ $ 25.50
(w) Bondselex-Issue Pr. SF 100.35
(d) Bristol $ 940.00
(m) Cal Futures 1990 Fd. Ltd $ 25.43
(m) J Capel guaranteed Fund $ 10.08
(w) CMI Investment Fund $ 1,350.00
(d) Cash Gestion FF 18008.08
(d) CB German Index Fund DM 123.14
(m) Cleveland Offshore Fd. $ 29.29
(w) Columbia Securities FL 99.89
(m) Commod. Gtd. Fund/USA. $ 3.81
(w) Convert. Fd. Int'l A Certs $ 16.41
(w) Convert. Fd. Int'l B Certs $ 54.31
(w) Cumber Intl N.V. $ 220.61
(d) Daiwa Japan Fund Y 8,000.00
(w) D.G.C. $ 201.20
(d) D-mark-Baer Bond Fd DM 981.00
(d) Dollar-Baer Bond Fd $ 1,135.00
(d) D. Witter Wld Wide Ivt Tst. $ 24.54
(d) Dreyfus America Fund $ 16.71
(d) Dreyfus Fund Int'l. $ 60.31
(w) Dreyfus Intercontinent $ 10.34
(w) Dumelux Amerique $ 1002.74
(w) Dumelux Asie Pacifique $ 1082.74
(w) Dumelux Bonds Plus $ 1090.35
(w) Dumelux Europe ECU 1085.10
(w) Dumelux France FF 4033.18
(w) Dumelux Opportunit $ 1802.73
(m) Dumenil Arbitrage Fd NV $ 848.24
(d) Emi Germ. Ind Plus(A) DM 90.81

(d) Emi Germ. Ind Plus(B) DM 90.81
(d) Emi France Ind Plus(A) FF 814.88
(d) Emi France Ind Plus(B) FF 814.88
(d) Emi Uk Index Plus (A) £ 86.29
(d) Emi Uk Index Plus (B) £ 86.29
(d) Emi Belg. Index Plus(A) BF 8,802.00
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(d) Equicurrency (DOM) ECU 1.24
(w) Esprit Sicav ECU 1,156.50
(w) Espir. Sto Inv M Sth Eur Fd $ 11.05
(d) EURASUD FF 1,019.23
(d) Europe Obligations ECU 74.02
(d) Europe 1992 $ 10.71
(m) Fatum Fund $ 1052.69
(w) Fairfield Int'l Ltd. $ 131.45
(w) Fairfield Strat. Ltd. $ 55.40
(w) First Eagle Fund $ 35,139.72
(m) First Frontier Funds $ 84.84
(w) F.I.T. Fund ff FF 114.03
(d) Fonditalia $ 84.17
(w) FL Trust Switzerland SF 87.25
(w) Fonselex Issue Pr. SF 150.35
(d) Force Cash Frf Sicav FF 15,183.48
(d) Force Cash AM Sicav DM 3,052.91
(d) Force Cash US $ Sicav $ 3,025.22
(d) Force Cash Ecu Sicav ECU 2,533.61
(m) Forexfund Limited $ 9.19
(w) Formula Selection Fd. SF 66.27
(d) Frankf-Trust Eff. Fd DM 143.08
(d) Frankf-Trust Interzins DM 39.96
(m) Gems Progressive Fd Ltd. $ 1,033.33
(w) George V INV. BOND F. $ 23.50
(m) German Sel. Associates DM 2331.42
(d) Green Line France FF 643.81
(d) Guardian $ 940.00
(w) Haussmann Hldgs. N.V. $ 312.22
(w) Hestia Funds $ 133.55
(w) Horizon Fund $ 1,676.83
(w) Ibex Holdings Ltd. SF 156.86
(w) IFDC Japan Fund Y 32,894.00
(r) ILA-IGB $ 7.27
(r) ILA-IGS $ 8.98
(m) IncAmerica N.V. $ 14.97
(m) IncAsia N.V. $ 10.25
(w) Inpremet $ 9.16
(w) Interecu Fund 'A' ECU 1043.72
(w) Interecu Fund 'B' ECU 349.45
(m) Interface Fund Ltd. $ 147.32
(d) Interfund SA $ 46.73
(w) Intermarket Fund $ 420.01
(r) Int'l Securities Fund $ 29.18
(w) Intersec SA $ 3,851.75
(d) Invesco DWS DM 72.88
(d) Investmentor Fund $ 102.50
(m) Japan Selection Assets. Y 11,955.00
(w) Japan Pacific Fund $ 212.42
(w) Japan Reg.Growth F. Y 943,491.00
(w) Japan Selection Fund $ 236.42
(d) JJ Placement FF 11,948.67
(d) Kenmar L/C $ 13.02
(d) Kenmar Guarantee $ 13.15
(w) Kenmar Intl - B $ 12,448.00
(m) Key Hedge Fund Inc $ 105.71
(w) Kleinwort Bens. Jap. Fd. $ 211.10
(d) KML-II H.Yield 13/07/90 $ 631.85
(w) Korea Growth Trust $ 29.77
(w) LACO International $ 6.50
(w) Leumi Val.Francaises FF 940.24
(w) Liberty Offshore Fund $ 123.70
(d) Liquibaer $ 1,906.00
(m) London Portfolio G'td. I. $ 98.07
(m) London Portfolio G'td. II. $ 8.61
(w) Luxfund $ 113.13
(m) Lynx Sel.Holdings SF 138.40
(m) Maritime Fund Intnl Ltd $ 1,000.70
(w) MBE Japan Fund LF 1,869.00
(m) MCM Int. Limited $ 141.48
(w) Moore Global Invts. Ltd. $ 1,539.08
(w)ML Morgens Ly H.Y.Inv.NV $ 9.94
(d) Mediolanum Sel. Fd. $ 43.69
(d) NCA FUND $ 11.49
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 218.42
(w) NMT Citadel Bond SF 189.48
(m) NMT Nostec Portfolio s/s. $ 121.62
(d) NM Inc. & Growth Fund $ 16.34
(d) Nomura-Cap Int Eq Fd $ 13.43
(d) Nordmix Lit 11,113.00
(m) Nova Plus Fund I Ltd. $ 1008.00
(w) Noveurope ECU 2,835.71
(m) NSP F.I.T. $ 280.61
(d) Oppenheimer U.S.Arb. $ 124.38
(w) Optimum Fund $ 1,722.66
(w) Overlook Performance $ 1,319.57
(d) Pacific Nies Fund $ 8.88
(d) PAM Futures Trad. $ 466.27
(w) Pancurri Inc. $ 167.70
(m) Paragon Fund Limited $ 9.64
(w) Plurinvest International FF 100.01
(w) Prosp. LH.Inc.P.F 06/07/90 $ 5.65
(w) Puget-Mahe Barclays Pac. $ 163.62
(w) Quantum Fund N.V. $ 15,199.85
(w) Rep.(Guernsey) Dol.Inc.fd $ 9.65
(d) SAGA Ameriques FF 732.62
(d) SAGA Court Terme FF 1,158.76
(d) SAGA France Sicav FF 454.29
(d) SAGA Long T.Capital. FF 1,041.88
(d) SAGA Opportunites FF 770.70
(d) SAGA Premiere FF 1,130.08
(w) Samurai Portfolio SF 240.40
(d) Sanyo Kle.Spain Fd $ 11.11
(d) Sarakreek Holding n.v.++ $ 24.80
(m) Scimitar Guaranteed $ 8.17
(m) Scimitar Guar.Cur.Fd. $ 10.00
(d) SCI/Tech. SA Luxembourg $ 21.09
(m) Silverman World Shares Ltd. $ 1,159.00
(w) SP International S.A. $ 5,355.73
(m) SLH Guar. F.F.I. $ 1,019.68
(d) Strat Int'l Gold Fund S.A $ 6.91
(w) Techno Growth Fund SF 52.13
(d) Templeton Glob Inc. $ 9.94
(d) The Petrus Fund Ltd. $ 1.13
(m) THC(O.T.C)Jap.Id Sicav $ 18.97
(w) Transpacific Fund Y 30,404.00
(d) Triton Offshore Class A $ 823.67
(d) Triton Offshore Class B $ 783.98
(d) Tudor B.VI Futures.LTD $ 5,977.26
(d) Turquoise Fund $ 223.37
(w) Tweedy,Browne n.v.CLA $ 3,226.11
(w) Tweedy,Browne n.v.CLB $ 1,581.89
(m) Tweedy,Browne (U.K.) n.v. $ 1322.93
(d) Unico Inv.Fund DM 72.04
(d) Unico Equity.Fund DM 59.12
(d) Uni Bond Fund ECU 1571.50
(r) Uni Capital Fund $ 1539.63
(m) Unitrad FF FF 10,654.63
(m) Unitrad SF SF 1,055.75
(m) Unitrad $US $ 1,042.60
(d) Univers Bonds DM 133.28
(w) Vanderbilt Assets $ 14.52
(m) Victor Futures Fund $ 185.82
(d) Victoria Holdings Limited $ 100.00
(w) Willerbond Capital $ 14.89
(d) World Fund S.A. $ 11.78
(d) World Balanced Fund S.A. $ 11.89
(w) Worldwide Securities $ 35.18
(w) Worldwide Special $ 799.55
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SPORTS

Hitting Pitchers Help Reds, Mets Win Their Games

The Associated Press

There were 12 doubles, six home runs and three triples in the six games played in the National League. But none of those was more important than the walk and

BASEBALL ROUNDUP

the bunt single gotten by pitchers in New York and Cincinnati on Tuesday night.

José Rijo of the Reds, batting .421 in his last nine games, dropped a two-strike bunt single down the third-base line to give Cincinnati the decisive run in a 2-1 victory over St. Louis.

It kept the Reds 6½ games in front in the NL West.

The Mets' starter, David Cone, fell behind, 0-2, against San Diego's Calvin Schiraldi, then drew a walk after 14 pitches to start a two-run third that carried New York to a 4-0 victory over the Padres.

It put the Mets only two games behind the NL East-leading Pittsburgh Pirates.

Cone, who pitched a five-hitter for his third consecutive complete game, fouled off pitch after pitch from Schiraldi. "He was beating me consistently," said Cone.

With the count at 3-2, catcher Benito Santiago walked to the mound.

"It was just to give me a break, a breather," said Schiraldi. "Having to throw 14 pitches to one guy, especially the pitcher, didn't help."

After Cone walked, he took second on Santiago's passed ball and moved to third on Daryl Boston's single, with Boston taking third on the throw home. Dave Magadan followed with a single for a 2-0 lead.

In Cincinnati, the Reds continued their dominance of the Cardinals as Rijo pitched five innings and drove in the go-ahead run with his bunt in the second inning.

The Reds, 9-2 against St. Louis this season, have outscored the Cardinals by 41-21.

Braves 9, Pirates 0: Charlie Leibrandt held Pittsburgh to five hits for seven innings and Greg Olson drove in four runs with a double and a homer in Atlanta.

Leibrandt did not walk a batter in sending the Pirates to their fourth consecutive loss.

Dodgers 5, Phillies 1: Kirk Gibson's single for Los Angeles in the eighth broke a tie and Hubie Brooks drove in three runs in Philadelphia.

With the score 1-1, Jose Offerman led off the eighth with a walk off Jose DeJesus, then advanced to third on a sacrifice and a ground out before Gibson hit the next pitch to center for the go-ahead run.

Expos 5, Giants 2: Rookie Mark Gardner struck out 11 San Francisco batters in six innings, and Spike Owen had three hits and two RBI for the Expos in Montreal.

Owen, in a six-for-30 slump before the game, was instrumental in two rallies against Scott Garrelts, who lasted three innings and allowed five runs, four earned.

Cubs 5, Astros 2: In Houston, Ryne Sandberg homered and hit a sacrifice fly as Greg Maddux pitched his seventh complete game for Chicago's victory.

Sandberg: 30 Again

The Associated Press

HOUSTON — Ryne Sandberg of the Chicago Cubs hit his 30th homer of the season Tuesday night and became the first second baseman in history to record consecutive 30-home run seasons.

The Houston Astros' Bill Gullickson had pitched three hitless innings before Sandberg led off the fourth with a homer over the left-field fence.

It was the ninth time a second baseman had hit 30 homers.

The others are Dave Johnson of the Atlanta Braves, 42 in 1973; Rogers Hornsby, 42 in 1922 and 39 in 1925 with the St. Louis Cardinals, and 39 in 1929 with the Cubs; Joe Gordon, 32 in 1948 with the Cleveland Indians and 30 in 1940 with the New York Yankees; and Bobby Grich, 30 in 1979 with the California Angels.

George Widman/The Associated Press

Von Hayes landed at home with a run for the Phillies after Dale Murphy doubled in the first inning. But the Dodgers won, 5-1.

Boston's Gain Is Toronto's Loss, Again

The Associated Press

Mike Greenwell had three hits, the last a two-run triple that drove in the tying and lead runs in the ninth inning, and the Boston Red Sox continued to pull away in the American League East Division with a 6-5 victory over the Indians in Cleveland.

Boston's fifth straight victory Tuesday gave it a six-game lead over Toronto.

Cleveland had taken a 4-3 lead on Brook Jacoby's tie-breaking home run in the bottom of the eighth. But the Red Sox rallied with three runs in the ninth, which started with the Indians' relief pitcher, Doug Jones, walking Carlos Quintana and Wade Boggs.

Ellis Burks popped out, but Greenwell tripled to put Boston ahead and scored what proved to be the winning run on Dwight Evans's single. Cleveland scored once in the bottom of the ninth before rookie Jeff Gray got his seventh save by retiring Chris James and Jacoby with runners at first and third.

Brewers 6, Blue Jays 2: Jaime Navarro allowed eight hits in pitching his second straight complete game, and Dave Parker had three hits, two home runs, as Milwaukee won in Toronto.

It was the Blue Jays' fifth straight loss.

B.J. Surhoff broke open a tight game with a two-run double in the sixth inning.

Yankees 11, Orioles 3: In Baltimore, Jesse Barfield and Randy Velarde homered for New York.

Barfield, who was four for four, singled in the tying run in the second inning and hit a tie-breaking two-run homer in the fourth. He is 14 for 27 against the Orioles.

Twins 12, White Sox 6: In Minneapolis, Kent Hrbek's two-run homer in the fifth put Minnesota ahead to stay as Chicago lost its fourth straight.

The Twins rallied from deficits of 2-0 and 5-2 before taking their first lead, in the fifth, and securing the victory with five runs off Scott Radinsky in the eighth, which was capped by Hrbek's two-run single.

Angels 2, Rangers 0: Nolan Ryan's bid for his 302d victory failed in Anaheim, California, when the Angels scored twice in the third inning on Johnny Ray's single, Ryan's only walk, a wild pitch, an infield out and an error by the third baseman Jeff Kunkel.

Ryan lost despite pitching a three-hitter and striking out 11. He made his 700th career start, tying Tommy John for fifth on the all-time list.

Athletics 3, Royals 2: Terry Steinbach's two-out, bases-loaded single drove in the tying and winning runs in the ninth in Oakland after Danny Tartabull put Kansas City ahead with a leadoff homer in the ninth.

Then pinch-hitter Ron Hassey and Rickey Henderson singled off Jeff Montgomery. After Carney Lansford struck out, Jose Canseco walked. But Montgomery struck out Mark McGwire and had a 1-2 count before Steinbach singled to score pinch-runner Lance Blankenship and Henderson.

Mariners 4, Tigers 3: Edgar Martinez hit a two-run homer with one out in the bottom of the ninth following a single by Harold Reynolds in Seattle.

One Night, No Runs and Two Losses

The Associated Press

PHOENIX — Who says you can't be in two places at once?

Mark Dewey, a right-hander called up recently by the San Francisco Giants from their Phoenix, Arizona, farm team in the Class AAA Pacific Coast League, pitched his third scoreless inning in as many outings during the Giants' 5-2 loss in Montreal on Tuesday night.

And not long after the Giants lost, Dewey did too — in Phoenix, where the Firebirds fell, 5-4, to Tucson in the completion of a suspended game in which Dewey had pitched earlier this season.

SIDELINES

Arabs Threaten Asian Games Boycott

BANGKOK (UPI) — Ten Arab nations have threatened to boycott next month's Asian Games in Beijing unless Iraq is barred, a senior official of the Olympic Council for Asia said Wednesday.

Santiparp Techavanija, the OCA's treasurer, said the 10 nations agreed at a recent meeting in Saudi Arabia to urge the International Olympic Committee and the OCA to suspend Iraq from international sports activities. He declined to name the 10 nations, although he said that Yemen and Jordan were not among them and he discounted a Lebanese denial that it would participate.

Santiparp said a decision by the OCA to boycott the Asian Games will give China the right to bar Iraq from the competition, scheduled to begin Sept. 22.

Soviets and Dutch Win Cycling Gold

UTSUNOMIYA, Japan (AP) — The Soviet Union won the amateur men's team time trial on Wednesday and the Netherlands won the women's competition in the World Cycling Championship.

The Dutch team of Leontien van Moorsel, Monique Knol, Cora Westland and Astrid Schop covered 50 kilometers (31 miles) in 1 hour, 3 minutes, 51 seconds. Schop's head had been badly cut, and Knol and Westland were also thrown from their bikes, when they collided with a Japanese cyclist at a crossroads on a public road near the race.

The United States finished second in 1:04.07; defending champion Soviet Union was third in 1:04.21.

The Soviets won their 100-kilometer race in 1:56:50. East Germany was second in 1:57:05, with West Germany third in 1:57.09. The victory gave the Soviet Union five gold medals since the championship began last week.

Michels Named Dutch Soccer Coach

AMSTERDAM (AP) — Rinus Michels, who managed the Dutch team to the 1988 European Championship, has been named to the post again following the national team's disastrous World Cup campaign, Dutch television reported.

Michels's third appointment to the job was a surprise, since he was responsible, as the Dutch Soccer Federation's technical director, for recommending a new coach.

Michels, 62, will lead the Dutch team until the European Championships in Sweden in 1992, according to Tuesday's report. He replaces Ajax Amsterdam's coach, Leo Beenhakker, called in by the federation in May to coach the team for the duration of the World Cup in Italy.

Michels: Surprise selection.

For the Record

Martin Hostak, 22, who centered last year's Czechoslovakian National League champion, Sparta Praha, has been signed by the Philadelphia Flyers, the National Hockey League team said. *(AP)*

Lyle Alzado's dream of returning to football at the age of 41 ended Tuesday when the Los Angeles Raiders announced his retirement. Alzado, one of the NFL's top defensive ends from 1971-85 with Denver, Cleveland and the Raiders, worked in movies and television until he announced last spring that he wanted to play again. *(AP)*

Ken Griffey Sr., provided he cleared waivers on Wednesday, will join his son as a player for the Seattle Mariners, the team said. *(UPI)*

Quotable

● Bob Ward, senior race steward of the "Short Fat Guys Road Race" at Crooked River Ranch in central Oregon: "Running is discouraged and cheating is encouraged."

BOOKS

MARIANNE MOORE: A Literary Life

By Charles Molesworth. 472 pages. $29.95. Atheneum, 866 Third Ave., New York, N.Y. 10022.

Reviewed by Bruce Bawer

THERE was a time, three or four decades ago, when America had stopped reading poetry but had not yet lost interest in poets as celebrities. It had stereotypes, and found people to fit them. If Robert Frost was the rural sage, Marianne Moore, the longtime Brooklynite in black cloak and tricorne, was the prim, dotty spinster poetess.

Yet the real Moore, as Charles Molesworth's biography reminds us, was as paradoxical as her public image was simplistic. Though fond of books with titles like "How to Keep Happy," she was reportedly praised by Edmund Wilson as "one of the most intellectual women" he had ever met. Though prudish and celibate, she was "one of the most sexual women" who ever crossed Kenneth Burke's path. And though a shrewd literary politician, she was cited by Bryher, companion of the poet H.D., as "the most sincere artist I know."

On the battlefield of modernism, Moore was warmly received in both camps: Eliot hailed her "original sensibility and alert intelligence," Williams her "range of thought."

During her half-century in Greenwich Village and Brooklyn, Moore seems hardly to have missed a New York literary party; yet her personal life was extremely private and unglamorous. Until death parted them, she lived with her mother, a pious, possessive schoolteacher who served as her editor and censor. Molesworth insists that Moore was an independent spirit; but she was plainly ruled by her mother in ways that she perhaps never admitted to herself or others.

And the style, of course, was the woman. Meandering and dispassionate, the typical Moore poem runs between one and four pages and comprises an accentual-syllabic chain of remarks, images and quotations in which the surface is typically meticulous and ornate, the connections by turns capricious and witty and the ultimate point often hard to discern. Often Moore's borrowings from other authors are so extensive that it is fair to say that she is responding less to life than to a world experienced through encyclopedias, brochures and natural history magazines. Wordplay abounds ("the bell-boy with the buoy-ball"), as do catalogues of flora or fauna: "cat-tails, flags, blueberries and spiderwort, striped grass, lichens, sunflowers, asters, daisies-yellow and crab-claw ragged sailors with green bracts-toad-plant, petunias, ferns; pink lilies, blue ones, tigers; poppies; black sweet peas."

What to make of such lines? Admittedly, there is precision here; but there is also a risk of not seeing the forest for the frangipani. In her best poems, by contrast, Moore displays not only a gift for description and a heartfelt desire to make a humanly significant point but a sense of proportion and a degree of liberation from what Irving Howe called her "claustrophobic solipsism." There is life in these lithe and elegant poems, which move among their materials in much the way that Fred Astaire moved around a dance floor.

Which, alas, is more than can be said for Charles Molesworth. Though he makes useful observations about Moore's development and about such influences as M. Carey Thomas, the president of Bryn Mawr during Moore's student days, and Alfred Stieglitz, Molesworth doesn't probe very deeply into the poet. Indeed, he announces in his introduction that he has no intention of probing, partly because he has not been allowed to quote from the Moore family correspondence.

Having said this, Molesworth proceeds to paraphrase the Moore letters, earnestly including everything from the failure of Moore's cleaners to block her hat to an unaccepted invitation from Janet Flanner "to write on vegetable juice for the New Yorker." If the biography is superficial, one eventually surmises, it is less the fault of copyright prohibitions than of the author's native unreflectiveness.

Bruce Bawer, a poet and critic living in New York, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

SUPPOSE you wander into a strange club in another country and sit down behind one of the players. He holds the West cards shown in the diagram, and you wonder whether or not he is an expert. You are mildly surprised that he chooses to open one spade rather than one no-trump: It is obvious that he employs four-card major openings, and you suspect that he favors the weak no-trump opening. South wins the first trick with the spade ace, leads to the heart ace and plays a second round. West wins and cashes two spade winners, and the moment of truth is at hand. You realize that the next play will answer your question, for only an expert will solve the problem. Almost all players in the West seat will, after considerable agony, lead either the diamond ace or a club. And in either case South will gratefully take 10 tricks for his contract. But the expert will confidently lead a low diamond, knowing that this play is sure to defeat the contract. Dummy will win, and West will eventually score a trick somewhere. West must consider what he knows about the South hand: six hearts, three spades, and therefore four cards in the minor suits. If South began with two diamonds, he will still have a diamond loser. If he had a singleton he will have a club loser. And if he had no diamonds at all, he will discard one club but still lose a trick to the queen. If the West you are watching makes the play of a low diamond you know he is an expert and you should consider that the game may be too tough. If he did anything else you can cut into the game and reasonably hope to win a little money.

NORTH
♠A 10 4
♡J 5 2
◇K Q 7 4
♣10 9 6

WEST (D)
♠K Q J 9
♡K Q
◇A 9 8 2
♣Q 5 2

EAST
♠8 7 5
♡10 3
◇J 10 8 5 3
♣8 7 4

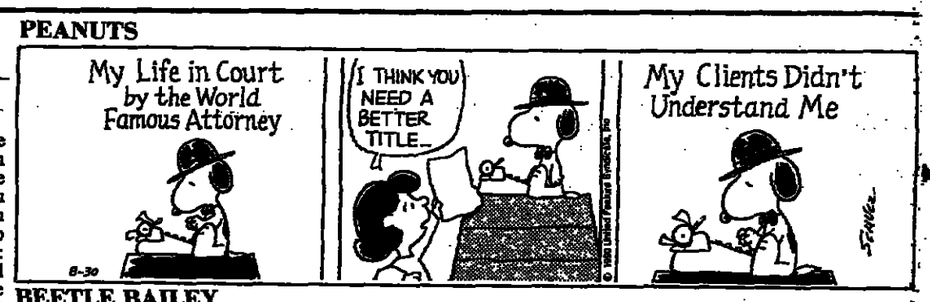
SOUTH
♠6 3 2
♡A 9 8 7 6 4
◇—
♣A K J 3

Both sides were vulnerable. The bidding:

West	North	East	South
1♠	Pass	Pass	3♡
Pass	4♡	Pass	Pass
Pass			

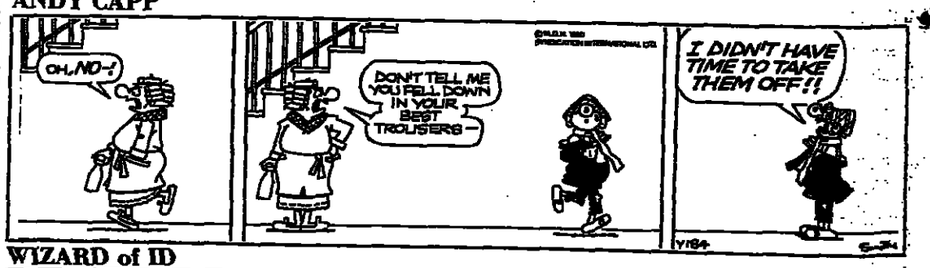
West led the spade king.

PEANUTS



BEETLE BAILEY

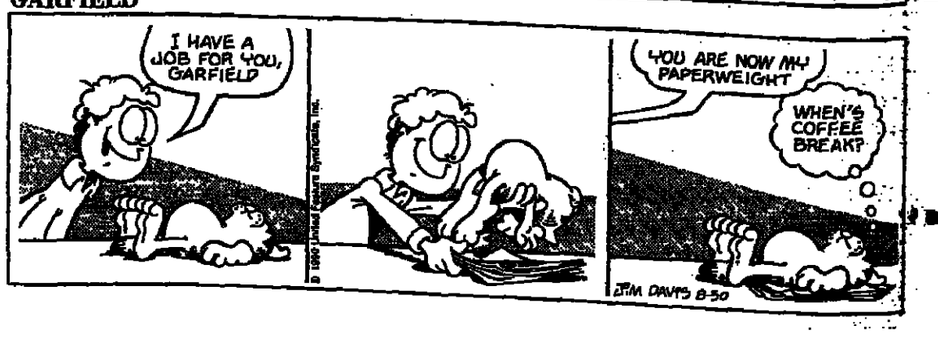
ANDY CAPP



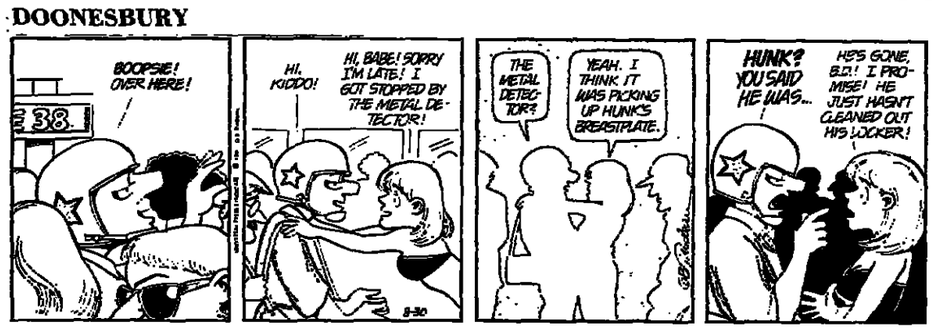
WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY



DENNIS THE MENACE

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

OPTIA
HACCO
KRUTEY
PICTES

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ____ OF IT ____

(Answers tomorrow)

Yesterday's Jumbles: SHEAF GUILD INFANT FLORAL
Answer: The riding academy considered going out of business when its clientele started - - - FALLING OFF

BLONDIE

SPORTS

Unpredictable Volkov Converts Quicksilver to Gold in Upset of Edberg

By Sally Jenkins
Washington Post Service

NEW YORK — There are just some days when Stefan Edberg's deliberate game turns to slow-footedness and his smooth strokes become leaden.

Tuesday was one of them, the most unfortunate of afternoons for him as it happened, because the top-ranked player in the world was a straight-sets loser to Alexander Volkov, a voracious if unseeded talent from the Soviet Union, in the first round of the U.S. Open at the National Tennis Center.

"This is something you need to sit and think about," said Edberg. "At the moment, I can't tell you too many reasons because I don't know myself."

Perhaps it was unwise to make Edberg the top seed in the Open, a tournament that irks him so much he has made just two semifinals in eight years. But he was flush from his Wimbledon triumph and on a 21-match winning streak. Few would have predicted that Edberg's game would turn to such junk in a single afternoon, and that the equally moody Volkov would switch on the lights like this en route to a 6-3, 7-6 (7-3), 6-2 victory.

Edberg became the first men's top seed to be upset in the opening round of the tournament since John Newcombe was defeated by Jan Kodes of Czechoslovakia in 1971, and he was only the sixth ever. But even with the unpredictability of Volkov, a 23-year-old ranked No. 52, and the vacant, loose play of Edberg, the upset lacked the element of true surprise.

Edberg's chief weakness has always been a placid susceptibility to upset. He lost in May in the first round of the French Open to Sergei Bruguera of Spain, the first time a top seed had been eliminated in the opening round of that tournament.

Edberg also lost in the first round here in 1983, falling in five sets to Aaron Krickstein. Last year, he was upset by Jimmy Connors, 37, in straight sets in the fourth round.

But one person at least was stunned by the turn of events at Louis Armstrong Stadium: Volkov, who raised his game to a startling level in one afternoon.

Volkov, who comes from the Baltic seaport of Kaliningrad, took up the game at age 10 and is a natural left-hander who used to play with two-fisted strokes from both sides. His reputation is as a player who alternates brilliance with sloppinesss and has a habit of losing leads.

"I don't know when I'm going to play well," said Volkov. "I know I have a chance, because it's tennis. But I did not expect a win this easy."

When Volkov learned his first-round opponent would be Edberg, he assumed he would be the loser and committed himself to playing a match Friday in Berlin. Instead, he lashed out relentlessly Tuesday, making hardly a mistake. He had 30 winners, 11 with a two-fisted backhand from ear level, and six aces. And just 12 unforced errors.

"Maybe I will change my plans now," he said. "I was going to be on Lufthansa tomorrow. I would like to win another match. We will see."

When Volkov broke Edberg's serve in the eighth game of the match and held his own serve to take the first set, there was only a small ripple of concern.

"He can play great, but he can also play badly," Edberg said afterward.

Then Volkov broke Edberg again in the second game of the next set for a 2-0 lead, Edberg contributing a double fault on break point. They swung back and forth into the tiebreaker.

Volkov raced to a 4-0 lead with an ace, a serve winner and a ripped forehand return that ticked the line. He created set point, 6-2, with a similarly huge forehand return. Edberg saved it with a serve winner to the backhand, but then it was Volkov's serve and he spun the ball deep to Edberg's backhand, the Swede hitting it into the net.

"I felt slow out there," said Edberg, "and that will make you feel in a rush, like you can't get to the ball in time. So you say, 'What shall I do now? What is wrong' "

Volkov broke Edberg again in the fourth game of the third. He broke him again for the match, with a blasted backhand return down the line for a winner, then another driving backhand return at the oncoming Edberg's feet. Edberg lunged and shoveled the ball into the net with a forehand volley.

Upsets Continue at the U.S. Open

Gomez, French Open Winner, Is Ousted in First Round

Ron Eaven/Agence France-Presse

The world's top-ranked tennis player, Stefan Edberg, couldn't hide it: He had been smashed in the U.S. Open's first round by Alexander Volkov, right, who is ranked 52d.

Compiled by Our Staff From Dispatches

NEW YORK — Andres Gomez of Ecuador, the winner of the French Open, joined the ranks of the U.S. Open upset victims on Wednesday as he was ousted in the first round by Luis Mattar of Brazil, 6-3, 3-6, 6-3, 6-3.

Gomez was seeded fifth here. His opponent was ranked No. 66 in the world.

Tuesday, the world's top-ranked player, Stefan Edberg, was ousted in the first round by Alexander Volkov of the Soviet Union.

The women's draw thus far is going much more predictably. Gabriela Sabatini, one of the forgotten seeds, quietly won her second-round match on Wednesday, defeating Isabelle Demongeot of France, 6-1, 6-1.

"It seems everybody is thinking Graf, Seles, Martina," said Sabatini, the No. 5 seed. "I feel better that way."

In another first-round women's match on Wednesday, seventh seed Katerina Maleeva eliminated her younger sister Magdelena, 6-3, 6-1.

Sabatini was runner-up at the U.S. Open in 1988 and a semifinalist on the hard courts at the National Tennis Center last year. But this year, most of the attention has gone to Steffi Graf, Monica Seles and Martina Navratilova, winners of the first three Grand Slams.

Against her French opponent, Sabatini was sharp and relentless, taking a 5-0 lead in the opening set and going up 3-0 in the second. Demongeot's only game in the second set came when she broke Sabatini in the fourth game at 15.

"I feel very good, very confident," Sabatini said. "I think I'm playing my best right now. Today was a good match. I made it easy."

On Tuesday, John McEnroe, the four-time champion who is unseeded for the first time in 12 years, had been expected to have trouble against Javier Sanchez of Spain. But McEnroe, who was a first-round loser at Wimbledon and has been idle for much of this season, demonstrated that his umpteenth attempt at a comeback may be working with a 7-6 (10-8), 7-6 (7-3), 6-4 win.

McEnroe committed 21 unforced errors in the first set before he began to show some of his old touch, killing a set point with a drop-shot winner in the first tiebreaker. He was as high as No. 4 last year, but has fallen to No. 20 and is still scraping the rust off of his game. Like Volkov, he admitted a single match victory did not necessarily promise another one. He would not even discuss his chances of winning the tournament.

"I think that's sort of ridiculous," he said.

Ivan Lendl also is using this tournament as a comeback of sorts, having dropped to No. 3 in the world after 80 weeks at No. 1, and seeking to make a record-breaking ninth consecutive Open final. Idle following his failed drive to win the Wimbledon title that has eluded him, Lendl lacked his usual consistency on Tuesday and trailed Martin Laurendeau of Canada by 1-4 in the first set before collecting himself for a 7-5, 6-2, 6-2 victory.

It was not an auspicious beginning against a player who is ranked seventh in Canada. Lendl was good on just 58 percent of his first serves and committed 23 unforced errors to Laurendeau's 30.

Otherwise, the seeded players advanced safely. No. 4 Andre Agassi defeated Grant Connell of Canada, ranked No. 90, in three almost uniform sets, 6-4, 6-2, 6-2. No. 11 Michael Chang defeated onetime French Open finalist Mikael Pernfors of Sweden, 6-0, 6-2, 6-3.

There were no upsets or troublesome matches at all among the women. Second-seeded Martina Navratilova knew nothing about Federica Haumuller of Argentina before their match, and didn't hang around long enough to find out much as she won by 6-4, 6-0.

No. 4 Zina Garrison also encountered an obscurity in Beate Reinstadler of Austria and dispatched her, 6-1, 6-3. *(AP, AFP, WP)*

Capriati's Debut: Youth Is Served — and Serving

Washington Post Service

NEW YORK — The bicycle gang pressed at the barricades, clamoring in their day-glo caps, up way past their bedtimes and shrieking for Jennifer Capriati. The 14-year-old was having her coming out at the U.S. Open, a junior miss climbing the wall in an unladylike way and grabbing every moppet's pen thrust at her.

In three months as a professional, Capriati has risen to No. 14, captivating the tennis world and teens everywhere. In her Open debut Tuesday, on the Stadium Court at the National Tennis Center, she encountered a rarity, a player almost as callow as herself in 15-year-old Anke Huber of West Germany, and proved once again that she is best of the youngest with a 7-5, 7-5 victory.

It was a match of sweetness and irony. Capriati called the American heiress to the retired Chris Evert, and No. 55 Huber labeled the eventual European successor to the top-ranked Steffi Graf.

They are in actuality mere girls, which they proved with error-prone play. The high point was Capriati's intermingling with the excited adolescent crowd at courtside, throwing souvenirs to the swarm, then scrawling her autograph for several flash-bulb-lit minutes.

"I like that," said Capriati, a native New Yorker who now lives in Florida.

The surest sign of Capriati's youth is her brief attention span. She meandered through the match, seizing a 4-0 lead in the first set and a 3-0 lead in the second only to twice allow Huber to pull even at 5. She had to kill a set point in the first and never fully settled down. What she never displayed, however, was the slightest bit of intimidation.

The truth was, the occasion was nothing new for Capriati. She made her debut in a Grand Slam event by making the semifinals of the French Open. She reached the fourth round of Wimbledon. She already has endorsement contracts worth an estimated $5 million.

"At first I was a little nervous," said Capriati, "but after that it was great. The stadium is so big."

Huber does not have Capriati's reputation or big-match experience and is her equal only in the appalling force with which she hits the ball for her age. Both players alternated winners with overswinging errors, banging away at the baseline.

"At first she was making a lot of errors," said Capriati, "but then she started hitting some good shots. And then I started making a lot of mistakes. I just lost concentration."

It went like this: Capriati raced to a 4-0 lead, breaking Huber in the second and fourth games as the West German sprayed and flailed balls to all the outer parts of the court. Then Capriati let her mind wander so badly that Huber swept the next five games and served for the set at 5-4.

Capriati promptly broke back and then held after sweating out four deuces and break point against her. With a 6-5 lead, she settled down and created triple set point. She swung a huge forehand to the corner and smashed an overhead, Huber pulled an easy smash wide, then Capriati hit her shot of the match, a reflex backhand return down the line for an untouchable winner.

"I wasn't pleased that I let her come back," said Capriati. "I thought, 'Come on, you can't lose this.' I just tried to keep the ball in play more."

Capriati broke Huber in the second game of the final set as she staked herself to a 3-0 lead. Huber was unable to break until Capriati was serving for the match at 5-3.

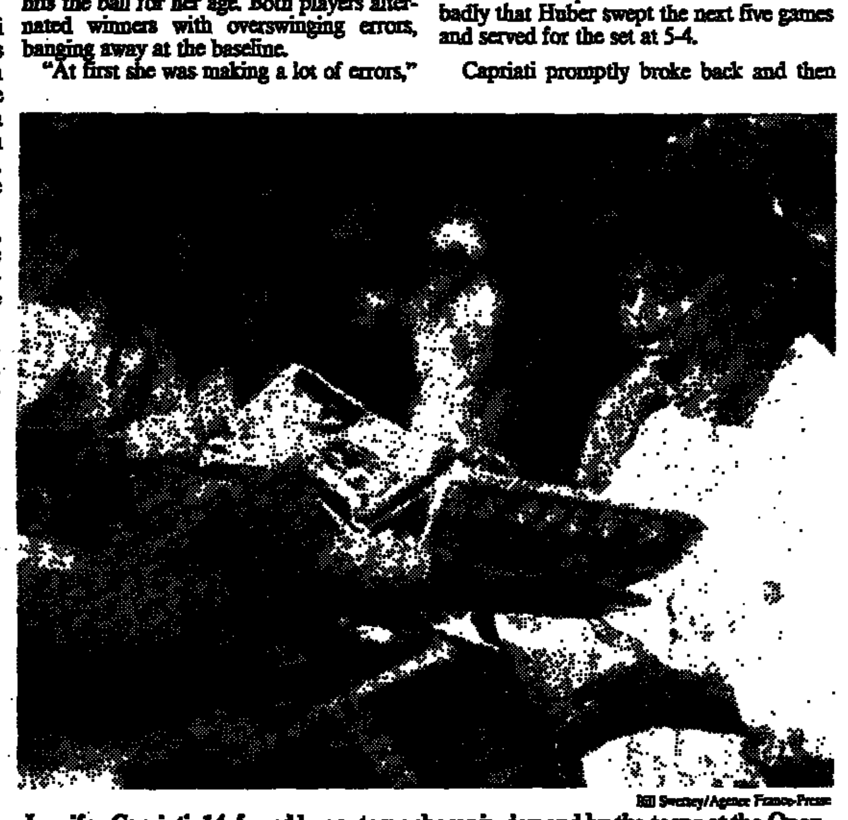
In what was perhaps their best game, Huber tried Capriati's patience with moonballs, then suddenly began belting the ball. Capriati won a marvelous exchange of four drop shots with a twisting little backhand at an angle for 30-30. But Huber slammed a high backhand winner to the opposite corner for break point. Capriati then shoved a routine backhand into the net to give up her serve for the first time in the set. Huber held serve after a nervous deuce and they were tied at 5.

But Capriati held and then broke a last time, gaining double match point with a high slammed backhand return down the line. She closed it out with a similarly vicious forehand shot.

So the heroine of the electric hue set survived. But Capriati did not wish to be compared to that other American teen idol, Andre Agassi, he of the hot pinks and chartreuses. "I'm not into that," she said. But she didn't mind the same kind of adoration or the giggling and shrieking that seemed to pour from the stadium.

"I'm just having fun," she said. "Especially since this is my first year. That's when you're supposed to have fun."

— SALLY JENKINS



Bill Swersey/Agence France-Presse

Jennifer Capriati, 14, found her autograph was in demand by the teens at the Open.

East Germans, Britons Star in European Track

The Associated Press

SPLIT, Yugoslavia — Kriss Akabusi set a British record and posted the second fastest time in the world this year when he won the men's 400-meter hurdles with a time of 47.92 seconds at the European Track and Field Championships on Wednesday.

Akabusi, 31, powered ahead from the start and kept up the pace for an impressive victory.

Akabusi beat a pair of Swedish racers. Sven Nylander clinched the silver medal with a time of 48.43 and Niklas Wallenlind grabbed the bronze in 48.52.

There was another British victory when Tom McKean took the men's 800 meters, winning with a time of 1 minute, 44.76 seconds and leading a 1-2 British finish. David Sharpe took the silver medal at 1:45.59.

Anna Rita Sidoti of Italy won the women's 10-kilometer walk in 44 minutes. Olga Kardapoltseva of the Soviet Union was second in 44.06 and Ileana Salvador, also of Italy, took the bronze in 44.38.

McKean's victory gave Britain its fourth gold medal of the championships, all won by men athletes.

But the women's events were clearly being dominated by East Germans.

Sigrun Wodars, the Olympic and world champion, led another East German 1-2 finish by winning the 800 meters with a time of 1 minute, 55.87 seconds. She edged perennial rival Christine Wachel, who claimed the silver in 1:56.11. The bronze medal went to Lilia Nurutdinova of the Soviet Union with a time of 1:57.39.

Also Wednesday, Ilke Wyludda of East Germany won the discus with a throw of 68.46 meters. Olga Burova of the Soviet Union took the silver medal at 66.72 and Martina Hellmann of East Germany, the Olympic and two-time world champion, had to settle for the bronze with a throw of 66.66.

In just more than a month, the East German national anthem will never be heard again at a sporting event. But it has been heard frequently here, making this last appearance of East German women athletes as a separate track and field team a memorable one. East and West Germany are scheduled to be reunited in October.

SCOREBOARD

TENNIS

U.S. Open

Results Tuesday of the $6.35 million U.S. Open held at the USTA National Tennis Center (seedings in parentheses):

MEN'S SINGLES
First Round

Alexander Volkov, Soviet Union, def. Stefan Edberg (1), Sweden, 6-3, 7-6 (7-3), 6-2; Jim Grabb, U.S., def. Lawson Duncan, U.S., 6-4, 6-2, 6-4; Sergi Bruguera, Spain, def. Thomas Hogstedt, Sweden, 6-3, 6-2, 6-2; Henri Leconte, France, def. Ramesh Krishnan, India, 6-4, 6-1, 6-1; Michael Stich, West Germany, def. Lars Jonsson, Sweden, 6-4, 6-2, 7-5; Johan Anderson, Australia, def. Jose-Francisco Altur, Spain, 7-5, 6-0, 7-5; Carl Limberger, Australia, def. Marcelo Filippini, Uruguay, 6-3, 7-5, 6-4;

Jakob Hlasek, Switzerland, def. Richey Reneberg, U.S., 3-6, 7-6 (7-5), 6-4, 6-0; Jim Pugh, U.S., def. Richard Fromberg, Australia, 2-6, 6-4, 7-5, 7-6 (7-2); Ivan Lendl (3), Czechoslovakia, def. Martin Laurendeau, Canada, 7-5, 6-2, 6-2; Jay Berger (13), U.S., def. Ronald Agenor, Haiti, 6-4, 6-4, 3-6, 6-4; Rick Leach, U.S., def. Paul Chamberlin, U.S., 6-4, 7-6 (7-3), 6-1; Shuzo Matsuoka, Japan, def. David Witt, U.S., 7-5, 6-4, 6-2; Gilad Bloom, Israel, def. Brad Pearce, U.S., 7-5, 6-7 (5-7), 7-5, 6-0;

Franco Davin, Argentina, def. Joey Rive, U.S., 6-4, 6-4, 7-6 (7-3); Milan Srejber, Czechoslovakia, def. Carl-Uwe Steeb, West Germany, 7-5, 7-6 (7-5), 6-3; Darren Cahill, Australia, def. Kelly Jones, U.S., 6-3, 3-6, 6-2, 6-0; Emilio Sanchez (7), Spain, def. Brian Garrow, U.S., 7-6 (7-5), 6-4, 6-4; Johan Carlsson, Sweden, def. Richard Matuszewski, U.S., 3-6, 6-2, 6-1, 6-2; Todd Witsken, U.S., def. Diego Nargiso, Italy, 6-3, 6-7 (8-10), 7-6 (7-2), 6-4; Jimmy Arias, U.S., def. Guy Forget, France, 7-6 (9-7), 6-4, 3-6, 6-4;

Andrei Chesnokov (10), Soviet Union, def. Olivier Delaitre, France, 6-4, 7-5, 6-3; John McEnroe, U.S., def. Javier Sanchez, Spain, 7-6 (10-8), 7-6 (7-3), 6-4; Michael Chang (11), U.S., def. Mikael Pernfors, Sweden, 6-0, 6-2, 6-3; Mark Kratzmann, Australia, def. Bryan Shelton, U.S., 6-7 (3-7), 6-3, 6-3, 6-4; Andrei Cherkasov, Soviet Union, def. Robert Seguso, U.S., 6-3, 6-7 (4-7), 6-2, 6-3; Jason Stoltenberg, Australia, def. Udo Riglewski, West Germany, 4-6, 6-1, 6-2, 2-1, retired; Aaron Krickstein (9), U.S., def. Andrew Sznajder, Canada, 6-1, 4-6, 6-7 (2-7), 6-1, 6-1; Tommy Ho, U.S., def. Nduka Odizor, Nigeria, 6-2, 4-6, 6-2, 3-6, 7-5;

Andre Agassi (4), U.S., def. Grant Connell, Canada, 6-4, 6-2, 6-2; Petr Korda, Czechoslovakia, def. Eric Jelen, West Germany, 2-6, 6-3, 6-0, 6-3; Pat Cash, Australia, def. Marc Rosset, Switzerland, 2-6, 2-6, 6-3, 6-3, 6-3; Glenn Layendecker, U.S., def. Dick Bosse, South Africa, 3-6, 6-3, 6-3, 7-6 (7-5); Scott Davis, U.S., def. Kelly Evernden, New Zealand, 7-5, 6-1, 6-3; Tomas Carbonell, Spain, def. Paul Haarhuis, Netherlands, 6-7 (7-9), 7-6 (7-4), 6-4, 6-0; Derrick Rostagno, U.S., def. Tarik Benhabiles, France, 6-4, 6-2, 6-2; Yannick Noah, France, def. David Pate, U.S., 7-6 (7-5), 6-4, 6-7 (2-7), 6-2; Cristiano Caratti, Italy, def. Steven Bryan, U.S., 6-2, 7-5, 2-6, 6-2; Broderick Dyke, Australia, leads Amos Mansdorf, Israel, 6-3, 6-3, 3-6, susp. by darkness.

WOMEN'S SINGLES
First Round

Zina Garrison (4), U.S., def. Beate Reinstadler, Austria, 6-1, 6-3; Laura Gildemeister, Peru, def. Meredith McGrath, U.S., 7-5, 6-3; Naoko Sawamatsu, Japan, def. Patricia Tarabini, Argentina, 6-1, 6-3; Leila Meskhi, Soviet Union, def. Akiko Kijimuta, Japan, 6-4, 6-2; Kimiko Date, Japan, def. Cammy MacGregor, U.S., 6-0, 6-3; Camille Benjamin, U.S., def. Nana Miyagi, Japan, 6-7 (2-7), 6-3, 6-2; Natalia Zvereva (14), Soviet Union, def. Karine Quentrec, France, 6-1, retired.

Martina Navratilova (2), U.S., def. Federica Haumuller, West Germany, 6-4, 6-0; Manuela Maleeva-Fragniere (9), Switzerland, def. Amy Frazier, U.S., 6-1, 6-3; Radka Zrubakova, Czechoslovakia, def. Tami Whitlinger, U.S., 7-5, 6-2; Carrie Cunningham, U.S., def. Wendy White-Prausa, U.S., 6-1, 1-6, 6-2; Judith Wiesner (15), Austria, def. Mary Lou Daniels, U.S., 6-3, 6-1; Wiltrud Probst, West Germany, def. Andrea Leand, U.S., 6-4, 6-2; Gabriela Sabatini (5), Argentina, def. Kathy Jordan, U.S., 6-1, 6-1;

Linda Ferrando, Italy, def. Mercedes Paz, Argentina, 6-4, 2-6, 7-6 (7-2); Clare Wood, Britain, def. Renata Baranski, U.S., 6-0, 6-0; Belinda Cordwell, New Zealand, def. Katrina Adams, U.S., 6-3, 7-6 (7-2); Arantxa Sanchez-Vicario (6), Spain, def. Nicole Provis, Australia, 6-0, 6-3; Jana Novotna (12), Czechoslovakia, def. Laura Lapi, Italy, 6-3, 6-1; Emanuela Zardo, Switzerland, def. Cathy Caverzasio, Switzerland, 6-1, 4-6, 6-1; Caroline Kuhlman, U.S., def. Chanda Rubin, U.S., 6-2, 6-4.

Lori McNeil, U.S., def. Audra Keller, U.S., 6-4, 6-3; Angelica Gavaldon, U.S., def. Donna Faber, U.S., 6-3, 6-2; Patty Fendick, U.S., def. Maya Kidowaki, Japan, 6-7 (5-7), 6-4, 7-5; Debbie Graham, U.S., def. Eleni Rossides, U.S., 6-4, 6-0; Robin White, U.S., def. Andrea Temesvari, Hungary, 4-6, 6-0, 6-2; Jennifer Capriati (13), U.S., def. Anke Huber, West Germany, 7-5, 7-5; Patricia Hy, Canada, def. Laura Golarsa, Italy, 6-3, 6-3; Rachel McQuillan, Australia, def. Linda Harvey-Wild, U.S., 7-6 (7-5), 7-5;

Csilla Bartos, Switzerland, leads Elise Burgin, U.S., 6-4, 4-6, 3-1, susp. by darkness; Barbara Paulus (16), Austria, def. Elizabeth Smylie, Australia, 7-5, 6-1; Nathalie Tauziat, France, def. Cecilia Dahlman, Sweden, 7-5, 6-2; Conchita Martinez (10), Spain, def. Marianne Werdel, U.S., 2-6, 7-5, 6-2; Kathy Rinaldi, U.S., def. Florencia Labat, Argentina, 6-4, 4-6, 6-3.

TRANSACTIONS

BASEBALL
National League

ATLANTA—Put Doug Sisk, pitcher, on waivers for purpose of giving him his unconditional release.

CINCINNATI—Recalled Terry McGriff, catcher, from Nashville, American Association. Sent Chris Hammond, pitcher, to Nashville.

HOUSTON—Put Brian Fisher, pitcher, on waivers for purpose of giving him his unconditional release.

NEW YORK METS—Optioned Mario Diaz, shortstop, to Tidewater, International League. Bought contract of Kevin Baez, infielder, from Jackson, Texas League.

FOOTBALL
National Football League

ATLANTA—Traded Ronnie Lee, offensive tackle, to Seattle Seahawks for an undisclosed draft choice. Put Titus Dixon, wide receiver, on injured reserve and Malcolm Taylor, defensive lineman, on waived-injured list. Waived John Adletta, defensive lineman, and Pat Jackson, wide receiver.

BUFFALO—Put Wes Pritchett, linebacker; Eric Starr and Sean Doctor, running backs; Tom Gerhart and Carl Mims, defensive backs; and Kerry Brady, placekicker, on injured reserve. Agreed to terms with Will Wolford, offensive tackle, on three-year contract.

CLEVELAND—Signed Paul Farren, offensive tackle. Put Jeff Graham, quarterback, on injured reserve. Put Dan Fike, guard, on physically unable to perform list.

DENVER—Put Monte Smith, offensive lineman, and La-Lo Long, cornerback, on reserve-non-football injury list. Waived Brad Henke, defensive lineman, and John Husby and Darren Muilenburg, offensive linemen.

DETROIT—Waived Sylvester Stamps and Byron Williams, wide receivers. Placed Sherman Cocroft, defensive back, on the physically unable to perform list. Put Mark Nua, offensive lineman, and Rob Hinckley, linebacker, on non-football injury list.

GREEN BAY—Waived Blaise Winter, nose tackle.

HOUSTON—Released defensive tackles Richard Byrd and Mark Garalczyk, and defensive back Vince Courville.

INDIANAPOLIS COLTS—Waived Larry Kolic, linebacker; Ricky Johnson, running back, and Mike Teeter, defensive lineman. Placed Kevin Dean, linebacker, on injured reserve.

KANSAS—Waived punter Bryan Barker, defensive end Ken Hackemack, running back Kevin Harmon, safety Will Hill, linebacker Craig Hudson, receiver Tony Jeffery, nose tackle Lee Johnson, tight end Rod Jones, quarterback Ken Karcher, guard Mike Kiselak, running back Bryan Lowery, kicker Bjorn Nittmo, running back Michael Owens, linebacker Angelo Snipes, linebacker Eric Thomas, safety Johnny Thomas, linebacker David Ward and receiver Tim Ware. Put safety Deron Cherry on physically unable to perform/reserve list. Put rookie running back Ernest Thompson on injured reserve list with neck strain; he will not be eligible to play for rest of season.

LOS ANGELES RAIDERS—Lyle Alzado, defensive end, retired. Waived Emanuel King, defensive end-linebacker; Rod Barksdale and Keith McDonald, wide receivers; Demetrius Davis, tight end; Marcus Wilson, defensive back; Joe Cormier, linebacker; Doug Lloyd, running back; and David Caldwell, defensive tackle.

LOS ANGELES RAMS—Waived Sean Smith and Bill Goldberg, defensive linemen; Hank Ilesic and Kent Elmore, punters; Theo Adams and Gary Knudsen, tight ends; Anthony Bruno, Randall Hard and Damon Johnson, defensive linemen; David Caylor, placekicker; David Eldridge, running back; Bobby Flenoid and Dwayne Jones, defensive backs; Terry Gray and Paul Ynlguez, offensive linemen; Rick Johnson, quarterback; Tony Mano and David Ortega, linebackers, and Anthony Sargent, wide receiver. Put Rodney Lossow, offensive lineman, on injured reserve. Put Clifford Hicks, cornerback, on the physically unable to perform list.

MIAMI—Waived Cliff Stoudt, quarterback, and Mike Rosson, defensive end. Put John Jurkovic, nose tackle, on waived-injured list. Claimed Jackie Cline, defensive end, off waivers from Atlanta Falcons.

MINNESOTA—Waived Cornell Burbage and Phil Florence, wide receivers; Shawn Woodson and John Lewelts, linebackers; Ken Clarke and Craig Schlichting, defensive linemen; Paul Blair and James Harper, offensive linemen; Tim Peterson, quarterback; J.J. Flannigan, running back; Chris Becker, punter, and Jim Campbell, placekicker. Put Jim Gustafson and Chris Gatlers, wide receivers, and Terry Allen, running back, on injured reserve.

NEW ENGLAND—Released defensive end Gary Jeter, safety Jim Bowman, linebacker Bruce Scholtz, defensive back Errol Tucker, and nose tackle Chris Williams; put defensive end Chris Gannon on physically-unable-to-perform list; put cornerback Ernest Gibson on injured reserve.

NEW ORLEANS—Waived Dave Wilson, quarterback; Brad Edelman, guard; Gary Cooper, wide receiver; Kim Phillips, defensive back, and Eric Lindstrom and Mark Ledbetter, linebackers.

NEW YORK GIANTS—Waived Chad Thorson, linebacker.

NEW YORK JETS—Waived Grantis Bell, wide receiver; Willie Wilson and Eric Nopaski, linebackers; Brent Snyder, quarterback; Derrick Kelson, cornerback; and Leon Perry, running back; Put Carl Byrum, fullback, and Troy Benson, linebacker, on injured reserve.

PHILADELPHIA—Waived Ben Brown, quarterback; Tony Buford and Fred Hadley, wide receivers; Steve Gabbard and Curt Dykes, offensive tackles; Orlando Adams and Dante Williams, defensive tackles; Tony Beaune and Michael Renna, defensive ends; John Gunnels, tight end; Todd Bell and Rony Missick, safeties; DeWayne Nash, cornerback; Michael Watson, linebacker; and Sam Yaffa, running back. Put John Hudson, center; Otis Smith, cornerback; John Teltschik, punter; and Eric Wainwright, linebacker, on the physically unable to perform list. Added Fred Barnett, wide receiver, to roster from physically unable to perform list. Put Keith Jackson, tight end, on reserve-did not report list.

PHOENIX—Traded Mike Zandofsky, offensive lineman, to San Diego Chargers for an undisclosed draft pick.

PITTSBURGH—Waived Ron Heard and Ron Fair, wide receivers. Put Karl Dunbar, defensive end, on reserve-non football injury list. Put Gene Collinane, center, on injured reserve.

SEATTLE—Waived Bobby Garcia and Michael Tonks, centers; Darryl Reed, cornerback; Elston Ridgle and Robert Morris, defensive ends; Roy Hart, defensive tackle; Darrin Miller, linebacker; Bob Kula, offensive guard; Karl Bernica, Bill Hitchcock, and Mike Lindsey, offensive tackles; Rusty Hilger, quarterback; and Dedrick Dodge, safety. Put Jim Sandusky, wide receiver, on injured reserve.

SAN DIEGO—Traded Keith English, punter, to Los Angeles Rams for an undisclosed draft choice. Waived Leonard Johnson, defensive end; Lee Allen, wide receiver; and John Carney, placekicker. Put Joey Howard, offensive tackle; Joe Mickles, running back; and Troy Johnson, wide receiver, on the waived-injured list.

SAN FRANCISCO—Announced retirement of Hanford Dixon, cornerback. Waived Tom Neville, guard; Steve Hamilton and Odell Haggins, nose tackles; and Reggie Bynum, wide receiver. Put Dave Cuillty, offensive tackle, and Wayne Radloff, center, on injured reserve. Put Dean Caliguire, center, on physically unable to perform list.

TAMPA BAY—Waived Shawn Lee, defensive lineman.

WASHINGTON—Waived Chris Dunn, linebacker; Reggie Dupard, running back; David Harbour, center; Tim Moxley, offensive guard. Put Brian Bonner, linebacker, on the waived-injured list. Put Mark May, offensive guard; A.J. Johnson, cornerback; and James Geathers, defensive end; on the physically unable to perform list.

COLLEGE

ARMY—Jim Young, football coach, retires at completion of 1990 season. Named Bob Sutton, associate football coach, as his replacement.

SOCCER

ENGLISH FIRST DIVISION

Crystal Palace 2, Chelsea 1
Leeds 0, Manchester United 0
Liverpool 2, Nottingham Forest 0
Southampton 1, Norwich 0
Sunderland 0, Tottenham 0

DUTCH FIRST DIVISION

PSV Eindhoven 5, FC Utrecht 0

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	71	57	.555	—
Toronto	66	64	.508	6
Milwaukee	60	68	.469	11
Detroit	60	69	.465	11½
Baltimore	59	68	.465	11½
Cleveland	59	69	.461	12
New York	55	73	.430	16
West Division				
Oakland	80	48	.625	—
Chicago	73	54	.575	6½
Texas	66	63	.512	14½
California	65	65	.500	16
Kansas City	64	64	.500	16
Seattle	63	66	.488	17½
Minnesota	58	71	.450	22½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	74	54	.578	—
New York	71	55	.563	2
Montreal	67	61	.523	7
Chicago	61	66	.480	12½
Philadelphia	59	67	.468	14
St. Louis	58	70	.453	16
West Division				
Cincinnati	74	53	.583	—
Los Angeles	68	60	.531	6½
San Francisco	66	62	.516	8½
San Diego	60	67	.472	14
Houston	57	72	.442	18
Atlanta	50	78	.391	24½

Tuesday's Line Scores

AMERICAN LEAGUE

Milwaukee 010 012 020—6 10 0
Toronto 001 000 100—2 8 1
Navarro and Surhoff; Stieb, Cerutti (8), Henke (9) and Borders. W—Navarro, 5-5. L—Stieb, 16-5. HRs—Milwaukee, D. Parker 2 (20).

New York 010 203 005—11 12 0
Baltimore 100 001 010— 3 7 0
M. Witt, Guetterman (9) and Nokes, Geren (9); Mesa, Price (7), Olson (8), Bautista (9) and Tettleton. W—M. Witt, 3-6. L—Mesa, 0-1. HRs—New York, Je. Barfield (20), Velarde (2). Baltimore, B. Anderson (3).

Boston 001 002 003—6 12 2
Cleveland 010 200 011—5 11 0
Bolton, Lamp (5), Gardner (8), Gray (9) and Pena; Nagy, Olin (6), D. Jones (8) and Alomar. W—Gardner, 3-6. L—D. Jones, 4-3. Sv—Gray (7). HRs—Boston, Jo. Reed (5). Cleveland, Jacoby (13).

Chicago 011 300 001— 6 9 1
Minnesota 002 320 05x—12 14 0
A. Fernandez, Petersen (4), Radinsky (7) and Fisk; Erickson, Drummond (4), Wayne (7) and Ortiz. W—Drummond, 2-4. L—Petersen, 2-5. Sv—Wayne (1). HRs—Chicago, Pasqua (13), Thomas (1). Minnesota, Hrbek (19).

Texas 000 000 000—0 4 1
California 002 000 00x—2 5 0
Ryan and Petralli; McCaskill and Parrish. W—McCaskill, 10-9. L—Ryan, 12-7.

Kansas City 000 100 001—2 6 1
Oakland 010 000 002—3 12 0
Gordon, Montgomery (9) and Macfarlane; Moore and Steinbach. W—Moore, 11-13. L—Montgomery, 5-3. HR—Kansas City, Tartabull (12).

Detroit 000 020 000—2 6 0
Seattle 002 000 002—4 7 0
Morris, Gleaton (8), Nunez (8), Gibson (9) and Heath; Holman, Comstock (8) and Valle, Sinatro (9). W—Comstock, 6-3. L—Gibson, 3-4. HRs—Detroit, Whitaker (15). Seattle, Griffey (18), E. Martinez (11).

NATIONAL LEAGUE

Los Angeles 000 010 040—5 8 0
Philadelphia 100 000 000—1 7 0
Neidlinger, J. Howell (8) and Scioscia; De Jesus, McDowell (8), Cook (9) and Daulton. W—Neidlinger, 3-1. L—De Jesus, 4-5. HR—Los Angeles, Brooks (17).

San Diego 000 000 000—0 5 1
New York 002 200 00x—4 5 2
Schiraldi, Hammaker (5), Show (8) and Santiago; Cone and Sasser, Mercado (7). W—Cone, 10-7. L—Schiraldi, 3-7. HR—New York, Teufel (6).

St. Louis 001 000 000—1 5 0
Cincinnati 110 000 00x—2 5 0
Magrane and Pagnozzi; Rijo, Layana (6), Myers (8) and McGriff. W—Rijo, 10-6. L—Magrane, 8-15. Sv—Myers (26).

Pittsburgh 000 000 000—0 6 2
Atlanta 300 030 30x—9 13 0
S. Miley, Power (5), Kipper (6), Heaton (9) and Slaught; Leibrandt, Parrett (8), Grant (9) and Olson. W—Leibrandt, 6-8. L—Smiley, 7-7. HRs—Atlanta, Cabrera (5), Olson (7).

San Francisco 000 001 100—2 6 1
Montreal 020 300 00x—5 11 0
Garrelts, O'Neal (4), Dewey (6), Oliveras (7) and Kennedy, G. Carter (8); Gardner, Rojas (7), Frey (7), Burke (8) and Goff. W—Gardner, 7-7. L—Garrelts, 10-10. Sv—Burke (15).

Chicago 000 211 001—5 9 0
Houston 000 000 002—2 8 1
G. Maddux and Girardi; Gullickson, Z. Hernandez (6), Schatzeder (9) and Gedman. W—G. Maddux, 12-11. L—Gullickson, 8-12. HRs—Chicago, Sandberg (30), D. Clark (5).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	72	36	0	.667	—
Hiroshima	52	49	1	.515	16½
Chunichi	54	54	1	.500	18
Taiyo	51	51	2	.500	18
Yakult	45	57	0	.441	24
Hanshin	41	68	0	.376	31½

Pacific League

	W	L	T	Pct.	GB
Seibu	67	29	4	.690	—
Orix	53	46	3	.534	15½
Nippon Ham	52	48	1	.520	16½
Kintetsu	51	50	1	.505	18
Lotte	38	55	2	.411	27
Daiei	33	66	3	.338	35

WEDNESDAY'S RESULTS

Yomiuri 6, Hanshin 0
Chunichi 6, Hiroshima 0
Taiyo 10, Yakult 4
Nippon Ham 5, Kintetsu 3
Daiei 8, Lotte 7
Seibu 12, Orix 3

VOLLEYBALL

World Women's Championships
Consolation Games

Italy def. Taiwan, 5-15, 15-12, 11-15, 15-2, 15-9
Holland def. East Germany, 15-8, 15-6, 16-14
West Germany def. Egypt, 15-1, 15-0, 15-0
Canada def. Argentina, 15-2, 15-2, 15-12

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ART BUCHWALD

No More Looking West

WASHINGTON — One of the reasons things are not going as well as expected in Eastern Europe is because so many jobs are being eliminated by the new regimes.

I met an East German immigrant in the Boston air terminal recently, and we started talking about the old country.

Buchwald

"What did you do in East Germany?" I asked him.

"I watched people," he said.

"What do you mean you watched people?"

"I got up in the morning, dressed, climbed a ladder behind the Berlin Wall and watched West Germans."

"What for?"

"Anything. For example, if a West German woman went into a Laundromat, I wrote it down in my book. I even watched the driver when he delivered a Domino's pizza. No one escaped my sharp, piercing eyes."

"What were the West Germans doing while you were watching them?"

"They were watching me. There were times when things were very quiet and we did nothing but stare at each other for hours on end."

"Besides peering at West Germans in the streets, did you also watch them in their apartments?"

"No, we had special people to do that. You had to know someone in the secret police to qualify as an apartment watcher, because obviously there were more exciting things going on in someone's flat than outside in the street. To tell you the truth, I was hoping to be promoted to apartments when the roof fell in on watching West Berlin."

"During all your years as a street spy, was there any particular incident that stands out?"

"I once saw an American student come up to the Wall, pull his pants down and turn his backside toward East Germany while photographers took pictures of him."

"What did you do?"

"I made a note of it in my book."

"After looking at Berlin through binoculars for so many years, did you ever have the desire to go over the Wall yourself?"

"Never. If I went to West Berlin, then I would have to get a job watching East Berlin, and that would be really depressing. I was one of the few East Germans who liked where he lived."

"Then what are you doing in the United States?"

"I lost my job. They called me in and said, 'Klaus, you don't have to watch West Germans anymore.'

" 'Why not?' I asked them.

"Because we are no longer interested in what they do. They can toss Frisbees into the center of Odenstrasse and we couldn't care less.

"I told them, 'Right now is the honeymoon, but someday when we get mad at West Germany again, you are going to need professional watchers, and they will all be retired.'"

"Are you optimistic about getting a people-watching job in the United States?"

"Yes. I hear that the Justice Department is looking for someone to keep an eye on Mayor Barry."

Film Trade Curbs Opposed by U.S.

United Press International

GENEVA — The United States has called for free trade in film and audiovisual production, arguing that such works are multinational and cannot be controlled through world trade talks.

But India and Egypt, with two of the world's largest indigenous movie industries, rejected the call at a subcommittee of the ongoing "Uruguay round" of trade talks. They said classifying movies and audiovisual productions by nation was essential to protect their "national content."

The subcommittee was debating whether movies and audiovisual productions should be included in the ongoing debate on services in the trade talks. The U.S. position, supported by Japan, is that since many movies are made in one country, financed by another, distributed by a third and acted by actors from half a dozen others, "cultural exemptions" to the rule of free trade could not apply.

Ballad of the Vanessa Redgrave 'Cafe'

By Thomas Schatz

AUSTIN, Texas — Only on second glance does one realize that it's Vanessa Redgrave on the set and not a crew member or a male extra biding his time between camera setups.

Her blond hair is short-cropped, unkempt and brushed straight back from her face, emphasizing her square jaw and her sharp, oddly masculine features. She is without makeup, dressed in overalls and work shirt, and she stands taller than most of the men nearby.

"Vanessa is in character from the moment she shows up on set," says the actor Cork Hubbert, who stars with Redgrave, Keith Carradine and Rod Steiger in a film adaptation of Carson McCullers's story "The Ballad of the Sad Cafe," which is being shot west of Austin.

But Hubbert's observation scarcely prepares one for Redgrave's striking transformation into Amelia, the protagonist in McCullers's bizarre fable.

The story, set in a dusty Depression-era mill town, centers on Amelia and her renegade ex-husband, Marvin Macy, who returns to town after years on a chain gang to exact revenge on Amelia for spurning him years before.

Derek Santini/Merchant Ivory Productions

Keith Carradine and Vanessa Redgrave in "The Ballad of the Sad Cafe."

The conflict builds to a brutal fistfight between the two. When the cameras roll and Redgrave begins to move and to speak in a throaty Southern drawl, her metamorphosis into McCullers's larger-than-life heroine is complete. This is no small achievement, even for an actress of Redgrave's range and skill.

Virtually everyone involved with the film, which is being made by Merchant Ivory Productions, from the producer, Ismail Merchant, and the director, Simon Callow, to the cast and crew is openly in awe of her professionalism and her commitment to the project.

Carradine had less than two weeks to prepare for his role as Macy. He joined the project after Sam Shepard unexpectedly withdrew, and since this is a typically cost-conscious Merchant Ivory project, Carradine is working for less than his usual fee.

As he winds up his six-week stint on the picture, the actor praises Redgrave's daring in playing a mannish role. Her boldness "encourages one to reciprocate," he says.

Redgrave has a history of mixing her roles with her political and social activism, and the part of Amelia in "Ballad" conforms to that in most respects. She says she considers McCullers's story "a piece of social history seen through the eyes of a poet."

Her participation has been crucial to the picture's being made. "Vanessa was the only person we had in mind," says Merchant, adding that both the casting and the financing of the $3 million project fell into place only after he had secured her commitment.

He notes, too, that the picture's status as a star vehicle sets it apart from the ensemble nature of previous Merchant Ivory productions, like "The Bostonians" (1983), "A Room With a View" (1986) and "Slaves of New York" (1989).

While Redgrave has been the catalyst for this picture, the chief chemist since its inception has been Merchant, the Indian-born, American-educated business partner of the director James Ivory.

Ever since Merchant came across McCullers's novella some 20 years ago, he was determined to adapt it to the screen, despite problems involving the rights (they were controlled by the playwright Edward Albee, who did an unsuccessful stage adaptation in 1963 and wanted to make a film later), as well as the story's severe problem as a commercial property.

Indeed, "The Ballad of the Sad Cafe" is wondrously complex and blatantly noncommercial. The allegorical tale centers on a strong-willed, powerful and enigmatic woman. Before her problems with Macy, Amelia falls in love with a deformed dwarf named Cousin Lymon (Hubbert).

As Amelia's love flourishes, her spirits lift the town, and her meager dry-goods store becomes a cafe and the locus for the only social life the community has ever known. All of this goes awry, however, when Cousin Lymon falls in love with Marvin Macy.

This perverse round-robin of obsessive, unrequited love ends with the battle between Amelia and Marvin in the cafe. Their fight is witnessed by the townspeople and is settled, unexpectedly and quite tragically, when Cousin Lymon intervenes on behalf of his beloved Marvin.

Merchant was drawn to the story's "triangle of obsession," as he puts it, and to the "poetic quality" of McCullers's vision, a potent blend of naturalism and surrealism.

Adapting such a story to the screen is risky, but Merchant has proved in the past that filmmakers can afford artistic risks if they minimize financial ones.

A key factor in controlling the cost was Merchant's decision to shoot the picture at Willie Nelson's ranch in the Texas hill country west of Austin.

"Willieville," as the cast and crew refer to the location, is actually a movie set built years ago when Nelson produced a film version of his ballad "The Red-Headed Stranger."

McCullers begins her tale with this description: "The town itself is dreary; not much is there except the cotton mill, the two-room houses where the workers live, a few peach trees, a church with two colored windows and a miserable main street only a hundred yards long."

Exchange the peach trees for mesquite, and she might have been describing Willieville, which provides Merchant and company the perfect setting.

Perhaps Merchant's biggest gamble is the director, Callow, a stage director and actor still trying to establish himself as a screen actor.

The offer to direct this film "came as a shock," he says.

"The general feeling was that I was a kind of crazed, bravura exhibitionist who wouldn't really 'fit' onto a cinema screen," he adds, a reference to his difficulty securing screen roles.

He changed that image with his portrayal of the Reverend Beebe in "A Room With a View" — although the film made good use of his "exhibitionist" tendencies in a skinny-dipping scene.

After his success in "Room," Callow wrote a biography of Charles Laughton, which led to his first close study of film. He also became interested in Laughton's first (and only) effort as a film director, a Gothic fantasy titled "The Night of the Hunter," which failed at the box office but developed a sizable cult following over the years. "What I loved about it," Callow says, "was the ambition to make a complex poetic work as your first film."

"This is the battle of the sexes," Callow says of the McCullers story. In bringing the tale to the screen, Callow seeks an approach that is in keeping with the material. "Whenever anything is odd, strange or bizarre in the story," he says, "I've gone with it and tried to make it odder, stranger and more bizarre."

Thomas Schatz, who teaches film at the University of Texas, wrote this for The New York Times.

PEOPLE

Rescuer and Rescuee To Meet After 46 Years

A former U.S. secret agent who was rescued by a British Royal Air Force pilot during World War II will finally meet his rescuer after 46 years. John Giannaris of Des Plaines, Illinois, said he would fly to Britain next month to meet former Flight Officer Norman Attenborrow, who landed a light plane in German-occupied Greece in 1944 to come to his aid. Giannaris was in charge of a group sent to Greece by the Office of Strategic Services when he was severely wounded. Although he had Attenborrow's name, Giannaris said he had been unable to find him until he sought help from a British television show, "Surprise, Surprise," which found Attenborrow in Liskeard, Cornwall. "I thought you were dead, you were that badly wounded the last time I saw you," Attenborrow told Giannaris by telephone.

□

The Chilean author **José Donoso**, a figure in Latin America's literary "boom" generation, has won Chile's National Literature Prize. A seven-member jury unanimously awarded the distinction to the author of such best sellers as "The Obscene Bird of the Night" and "This Sunday." Donoso, 64, came to international prominence along with **Gabriel García Márquez** of Colombia, **Julio Cortazar** of Argentina and **Mario Vargas Llosa** of Peru beginning in the 1960s. He returned to Chile in 1986 after living for two decades in Spain, Britain and the United States.

□

Diane Keaton, who won an Academy Award for best actress in 1977 for her role in Woody Allen's "Annie Hall," is going to have a go at directing. She will debut as a prime-time TV director in an episode of ABC's "China Beach." The network said Keaton will oversee an installment about the return home from Vietnam of nurse Colleen McMurphy, the show's lead character, played by **Dana Delany**.

□

Elizabeth Dillenbeck, a 68-year-old amateur poet from Kansas, is the new World of Poetry laureate. Eleven judges chose her "Sea Wind, South Wind" over several thousand entries during the organization's sixth annual convention in Las Vegas. The award carries a prize of $15,000.

TODAY'S

CAREER OPPORTUNITIES

Appears on page 3

PERSONALS

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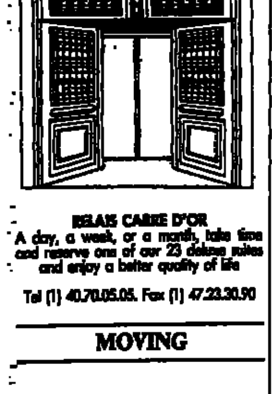

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